

**A metamodern stakeholder relationship management model for  
non-profit organisations**

by

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## DECLARATION

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**TITLE OF THESIS:** A metamodern stakeholder relationship management model for non-profit organisations

I declare that the above thesis is my own work and that all the sources that I have used or quoted, have been indicated and acknowledged by means of complete references.



**SIGNATURE**

November 2017

**DATE**

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### ACKNOWLEDGEMENTS

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### DEDICATION

To Jasper, one special cat who dutifully woke me at dawn every morning (albeit for a snack) and then devotedly joined me in my office to oversee my progress.

*Irma Meyer*

*Johannesburg, 2017*

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**ABSTRACT AND KEYWORDS**

Theorists and management in the South African non-profit sector agree that strong stakeholder relationships are essential in negotiating the challenges faced by the South African non-profit sector. Despite the acknowledgement from the non-profit sector that strong relationships are key to achieving organisational goals, there is an apparent lack of knowledge and strategic thinking amongst them pertaining to the concept of stakeholder relationship management.

Against this background the purpose of this study was therefore to develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner.

The blurring lines between the opposing views of modernism versus postmodernism motivated the choice of metamodernism as a relevant worldview for this study. Metamodernism does not imply a balance between these poles, but rather a constant swinging of the pendulum during which metamodernism negotiates between modernism and postmodernism. It is the construction of a workable, interrelated worldview, recognising the intimate relationship between modernism and postmodernism. It was therefore concluded that a metamodern worldview in which both modernism and postmodernism feature, would not only make it possible for non-profit organisation managers to understand and join the discussion on stakeholder relationship management, but also to implement the proposed metamodern stakeholder relationship management model.

The resultant metamodern stakeholder relationship management model for non-profit organisations is framed by so-called modernistic communication and stakeholder relationship management theories, but it was done in line with the metamodern worldview of the study, allowing for initiative and innovation. The flexible, organic and cyclic nature of the proposed model echoes this worldview.

A qualitative, exploratory and interpretative research design was implemented to test a conceptual framework and face-to-face semi-structured interviews were conducted



with senior management in the non-profit sector. The design of the framework and subsequent model was guided by a number of assumptions and propositions arising from a thorough literature review, all of which were supported and confirmed by the research results.

The most significant contribution of the study is the application of a metamodern worldview emanating from a reluctance to choose between a modern or postmodern stance when discussing communication science and stakeholder relationship management practices. It is therefore foreseen that it would offer the field of communication science new and creative means of combining modernism and postmodernism approaches when studying communication phenomena. It will also expand the responsibility for communication and stakeholder relationship management beyond that of the communication specialists to senior management in the non-profit sector.

### KEYWORDS

*Public relations, corporate communication, communication management, stakeholder theory, stakeholder relationship management, organisational stakeholder relationship, stakeholder, strategic stakeholder, stakeholder-centricity, non-profit organisations, modernism, postmodernism, metamodernism, systems theory, integrated communication, excellence theory, two-way model of mixed-motive communication*

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CHAPTER

1

BACKGROUND AND RATIONALE

*Effectively balancing the needs of these different [NPO] stakeholders  
is the crux of being accountable.*

(South African Department of Social Development 2009:54)

## 1.1 INTRODUCTION

The non-profit sector has played a major role in shaping the nature of the modern South African society. Not only has it been instrumental in building sustainable reconciliation strategies, but it has had and continues to have an impact on the lives of the disadvantaged and the vulnerable (Swilling & Russell 2002:3; Zhang 2005:14; Hailey 2006:30; Wyngaard 2013; Holtzhausen 2014:286; Statistics South Africa 2015:24). The non-profit sector in South Africa is currently facing a crisis for survival and Julie (2010:26) refers to the crisis as “endemic”. Non-profit organisations (NPOs) need to cope with a general lack of support, intangible funding criteria, reduced funding from government, as well as the global recession, increased corporatisation and competition, all threatening the future survival of many NPOs in South Africa (Stuart 2013).

Gallagher and Weinberg (1991:27) argue that NPOs function in a more complex environment than for-profit organisations, which makes NPO marketing more complicated than traditional marketing. Arguably, this also holds true for stakeholder relationship management in NPOs. Knox and Gruar (2007:116) concur that stakeholders have complex relationships with NPOs and argue that stakeholders are often involved in achieving NPO organisational goals, with the consequence that NPO stakeholders are being regarded as more important than commercial business stakeholders. Wyngaard (2013) suggests, that should the NPO sector wish to successfully negotiate the challenges it is facing, it is “time to join hands”. It is posited that “joining hands” implies strong relationships between the South African NPO sector and its internal and external stakeholders.



Despite the strong theoretical focus on the relevance of effective stakeholder relationships in the NPO sector, a framework or model for designing and implementing a practical stakeholder relationship management strategy, aimed specifically at the NPO sector, does seemingly not exist. The purpose of this study is to address this gap and to develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner.

This chapter outlines the background and objectives of this study. It provides an overview of the metamodern worldview adopted for the study, as well as the theories framing it, and briefly describes how a conceptual framework for stakeholder relationship management for NPOs will be developed, based on the research questions emanating from the literature review. Thereafter it discusses the research design and methodology followed to test the conceptual framework in order to develop it into a model. Chapter 1 concludes by illustrating the relevance of this study to the discipline of communication science, by discussing the delimitations of the study and by presenting a thesis outline. However, before embarking on this, the key terminology relevant to this study is defined.

### 1.2 DEFINING THE KEY CONCEPTS OF THE STUDY

A significant variety of definitions pertaining to the key concepts used in this study is found in the literature and the following section specifies the definitions deemed appropriate for this study.

#### 1.2.1 Public relations versus corporate communication and communication management

The terms public relations, corporate communication and communication management are often used interchangeably by many scholars and organisations, but *public relations* is arguably mostly used in academic literature in reference to the practice of corporate communication (Grunig 1992:4). Theorists like Steyn and Puth (2000:3) prefer the term *corporate communication* due to the negative perception surrounding public relations. The term, *corporate*, however, is not relevant to non-profit

organisations and *communication management* will be used when referring to this function within NPOs. *Communication science* will be used with reference to the body of public relations knowledge. In order to do justice to the opinions of theorists found in the literature, the term *public relations* will be used when they have done so.

### 1.2.2 Stakeholder concept versus stakeholder theory

Theorists argue that the stakeholder concept does not comply with the traditional definition of *theory* and that it offers no testable theory (Jones 1995:405; Fassin 2009:116; Mainardes, Alves & Raposo 2011:226;244). Freeman (1994:413), and Freeman, Harrison, Wicks, Parmar and De Colle (2010:88) state that it should rather be seen as a "...framework, a set of ideas from which a number of theories can be derived".

Taking cognisance of the critique, this study will nevertheless use *stakeholder theory* as the preferred term in order to remain aligned with current literature on the topic. The use of *stakeholder theory* will recognise and include all aspects of the stakeholder concept and will, where necessary, point out whether a stakeholder concept proposed by a theorist is a theory, a framework or a model.

### 1.2.3 Stakeholder management versus stakeholder relationship management

Andriof, Waddock, Husted and Rahman (2002:9) believe that the term *stakeholder management* is old-fashioned and corporate-centric, and argue that organisations cannot manage their stakeholders, but only engage with them in order to build and improve the relationship. Concurring with them, it is argued that the focus of the stakeholder theory should be on managing the *relationship* with stakeholders, rather than managing the actual stakeholder.

Thus, all concepts such as stakeholder management, governance, engagement, cultivation and nurturing will be examined, but in the context of this study, *stakeholder relationship management* will be regarded as the most appropriate terminology, whereby it will be viewed as the entire process of establishing relationships with

stakeholders, including engaging with them in order to govern, sustain, retain, cultivate and nurture such relationships.

### **1.2.4 Interpersonal relationship versus organisational stakeholder relationship**

The concepts prevalent in interpersonal relationship research can all be applied to sustaining organisational stakeholder relationships (Hon & Grunig 1999:14), and Svendsen (1998:66) compares the building of organisational stakeholder relationships with the process individuals follow when developing lasting interpersonal relationships. Toth (2000:213) agrees that relationships are inherently interpersonal and introduces a model illustrating how interpersonal communication processes can build organisational relationships with stakeholders. This echoes Botan's (1992:153) call for a paradigm that focusses on the communication process and how communication can be used to adapt relationships between an organisation and stakeholders, rather than focussing on the management of public relations.

The focus of this study will be on organisational stakeholder relationships, but the relevance, impact and influence of interpersonal relationships will not be discarded as it is argued that ultimately, relationships are built through communication by humans, albeit in an organisational context. Borrowing from Smith (2009:15) *relationships* will be seen as a connection or linkage between two groups either on an organisational or an individual level within the organisational context.

### **1.2.5 Public versus stakeholder and strategic stakeholder**

The terms *publics* and *stakeholders* are often used interchangeably (Steyn & Puth 2000:3; Grunig, Grunig & Dozier 2002:10). According to Rawlins (2006:1), the terminology of *stakeholder* is found in business literature, whereas *publics* emanate from the public relations literature and Steyn and Puth (2000:199) concur that managers use the term *stakeholders* whereas *publics* are used by public relations practitioners. Freeman (1984:46) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" (*objective*

is also sometimes replaced with *purpose* or *mission* (Freeman 2010:52; Freeman et al 2010:52).

Freeman's definition will be used for the purpose of this study, but with the freedom to substitute the *objective* with the *purpose* or *mission* or *strategic intent* of the organisation where relevant (borrowing from Freeman's example). Thus, the terminology *stakeholder*, rather than *public* will be used in this study. A *strategic stakeholder* will be regarded as a stakeholder without whose support an organisation may cease to exist, provided that the stakeholder holds the characteristics of power, legitimacy and urgency as defined by Mitchell, Agle and Woods's (1997) theory of stakeholder identification and salience.

### 1.2.6 Non-profit organisations

The terminologies *non-profit organisations* (NPOs) and *non-profit institutions* (NPIs) are seemingly used interchangeably by the non-profit sector in South Africa. Add to that the usage of terminologies such as non-profit companies (NPCs), public-benefit organisations (PBOs), non-governmental organisations (NGOs), community-based organisations (CBOs) and faith-based organisations (FBOs), it becomes clear why much confusion surrounds the distinction between these terminologies (Lovells 2015).

A review of the literature reveals that *non-profit organisations* appears to be the most popular terminology in South Africa, since it is found in the majority of documents referring to the South African non-profit sector. Strictly speaking, all these entities form part of *civil society*, which could arguably be regarded as the most appropriate terminology.

However, in line with what is being used in the industry and to simplify matters, the term *non-profit organisations* (NPOs) will be used by this study. The focus of this study is on the *South African* non-profit sector and where it may not always be explicitly stated, it is nevertheless implied. The definition of NPOs adopted by the South African Nonprofit Organisation Act 71 of 1997 (South Africa, Government Gazette 1997:2) makes provision for organisations that have been registered in terms of the Trust Property Controls Act 57 of 1988 as amended (Nonprofit Trusts), the Companies Act

---

71 of 2008 (Nonprofit companies) or in terms of common law (voluntary associations) (South Africa Department of Social Development 2015:7), and is regarded as the most appropriate for the purpose of this research study. It states that *non-profit organisations* are:

... defined as a trust, company or other association of persons established for a public purpose and of which its income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered.

### 1.3 BACKGROUND TO THE STUDY

The King III Report on Corporate Governance came into effect on 1 March 2010. It followed the King I and II Reports on Corporate Governance and included, for the first time, a chapter (Chapter 8) outlining six principles for the governing of stakeholder relationships. The King IV Report on Corporate Governance, which was launched in November 2017, retained the chapter on stakeholder relationship management as a governing principle.

The South African non-profit sector claimed that the King III Report on Corporate Governance was not appropriate for NPOs, since it was written for the corporate sector (Gastrow 2014). The King Committee acknowledged this caveat in the King III Report on Corporate Governance and admitted that it was written for the corporate sector. They were of the opinion that it was nonetheless relevant to all sectors, but accepted that the NPO sector needed some guidance to understand and apply the King III Report on Corporate Governance. They consequently produced a document known as *Practice Notes: A guide to the application of King III for Non-profit Organisations* in an attempt to make the King III Report on Corporate Governance more user-friendly for NPOs (Gastrow 2014). It included the chapter on governing stakeholder relationships, as did the subsequent King IV Report on Corporate Governance's *Supplement for Non-profit Organisations*.

The discomfort of NPOs with the King III Report on Corporate Governance resulted in the launch of the *Independent Code of Governance for Non-Profit Organisations in South Africa* in 2012. It was produced under the guidance of Inyathelo: The South

African Institute for Advancement after an inclusive consultation process with the NPO sector (Gastrow 2014).

Two other documents provide governance guidelines for NPOs namely the South African NGO Coalition's (SANGOCO) *Code of Ethics for Non-profit Organisations* (1997) and the *Code of Good Practice for South African Non-profit Organisations* (2001) issued by the South African Department of Social Development. From a legal perspective, NPOs also need to comply with the *Nonprofit Organisations Act* of 1997.

### 1.3.1 The NPO codes and stakeholder relationship management

The governance codes for the South African NPO sector address issues such as ethics and values which arguably link to effective stakeholder relationships, but none has a section or a chapter dedicated to the issue of stakeholder relationship management.

The *Code of Ethics for Non-profit Organisations* refers to stakeholders in its discussion of accountability (Sangonet Pulse 2003), but makes no mention of stakeholder relationships and, more pertinently, whose responsibility stakeholder relationship management should be.

The *Code of Good Practice for South African Non-profit Organisations* mentions stakeholder relationships once under a clause addressing accountability and transparency. It claims that an NPO's ability to sustain open and productive relationships with key stakeholders will ensure its sustainable existence (South Africa, Department of Social Development 2001:s 5:16). *Stakeholders* are referred to a few times: in explaining which important three stakeholders are involved in the fundraising process; in stating that stakeholders should ideally be involved in formulating the grant making vision and in developing the programme; and in encouraging openness among all stakeholders in the development process (South Africa, Department of Social Development 2001:s B1:19-21; s C6:41-42). The *Code of Good Practice for South African Non-profit Organisations* is thus slightly more sophisticated in its reference to stakeholders than the *Code of Ethics for Non-profit Organisations*, but still lacks a

specific reference to stakeholder relationship management as a governing principle for NPOs.

*The Independent Code of Governance for Non-Profit Organisations in South Africa* mentions *stakeholders* several times and effective communication with stakeholders once. It notably does not address *stakeholder relationship management* at all, although it had insight into the content of Chapter 8 of the King III Report on Corporate Governance and was produced in reaction to it (Independent Code of Governance for Non-Profit Organisations in South Africa 2012:11).

None of the codes aimed at the NPO sector, conceptualised and produced by them, addresses the stakeholder relationship management concept adequately or provides guidance as to how to build and sustain these relationships.

The general lack of the inclusion of stakeholder relationship management as a governance principle in the NPO codes arguably implies either a disinterest in the concept, or ignorance about it in the South African non-profit sector. Despite this, the concept of stakeholder relationships in the NPO sector has been discussed widely by scholars and they seemingly agree that stakeholder relationship management practices may contribute to the perception of NPOs effectiveness (Balser & McClusky 2005:295) and that mutually beneficial relationships between NPOs and donors will contribute to NPOs' organisational success (Brennan & Brady 1999; Sargeant 2001; Bennett & Barkensjo 2005; MacMillan, Money, Money & Downing 2005; Waters 2008; Waters 2011; Wiggill 2014). None of these studies, however, provide guidance as to how to build and sustain these relationships.

Patel (2012:615) argues that the lack of skills necessary to manage difficult state-civil society relations is a critical shortcoming in NPO leadership, and that public officials need to realise the "synergies between public and private provision, foster reciprocal and co-operative relations between the parties and promote a common purpose". This could arguably be achieved through the application of an effective stakeholder relationship management model.

---

## 1.4 PROBLEM STATEMENT AND PURPOSE OF THE STUDY

The initial literature review and a provisional understanding of the state of the South African NPO sector, guided the framing of the following research problem.

A metamodern stakeholder relationship management model for the South African non-profit sector has not been done before.

The purpose of this study therefore is to develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner.

Bowen (2005b:838) states that organisations need the goodwill of stakeholders for survival, and that effective two-way symmetrical communication contributes to strong stakeholder relationships. NPOs lose up to 50% of donors after they have received their first or second donation from them (Polonsky & Sargeant 2007:462), which has a significant impact on the achievement of organisational goals since the survival of NPOs is at stake without sufficient funding. This implies that NPOs should manage their stakeholder relationships effectively in order to obtain their goodwill, which underlies the need for a practical and implementable model to assist.

Most NPOs in South Africa do not employ full-time and qualified communication specialists (Wiggill 2009:187; Holtzhausen 2014:291). The proposed model would therefore not only focus on communication specialist in NPOs, but would enable non-communication specialists in NPOs to successfully manage their stakeholder relationships. Delegating this responsibility to senior management will be in line with the guidelines of the King III Report on Corporate Governance and the *Practice Notes: A guide to the application of King III for Non-profit Organisations* (Institute of Directors of Southern Africa (IoDSA) 2013; IoDSA 2015a), as well as the King Report IV on Corporate Governance and the *Supplement for Non-profit Organisations* (IoDSA [sa]; IoDSA 2016b).



#### 1.4.1 Objectives of the study

Considering the foregoing background, this study has five objectives, namely:

**Objective one:** To determine the extent of knowledge of the stakeholder relationship management concept as a governing principle amongst senior management and communication specialists (should they exist) in South African NPOs.

**Objective two:** To determine whether managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?

**Objective three:** : To determine how South African NPO managers identify the salience of stakeholders, and whether it is done from a modernism or postmodernism perspective or both.

**Objective four:** To determine if the communication strategies of the South African NPO sector are linked to their stakeholder relationship management strategies?

**Objective five:** To determine how senior managers in the South African NPO sector (and not only the communication specialist) could best practise strategic stakeholder relationship management within an interrelated worldview of modernism and postmodernism to enhance the achievement of their organisational goals.

#### 1.5 OTHER RESEARCH IN THE FIELD

A search on the Nexus database (2015) revealed that no other Master's or Doctoral studies are currently being done or have been completed on the specific topic of this study. Theses and dissertations listed on the Nexus database pertaining to stakeholder relationship management, communication management and/or non-profit organisations, are listed in Table 1.1, indicating the completed studies first.

**Table 1.1: Current research in the field as listed on the Nexus database**

| TITLE   | AUTHOR               | STARTED | COMPLETED |
|---|----------------------|---------|-----------|
| A strategic sequential, integrated, sustainable organisation-stakeholder relationship (SISOSR) model for building stakeholder | Slabbert, Y (Thesis) |         | 2012      |

## CHAPTER 1: BACKGROUND AND RATIONALE

| TITLE   | AUTHOR                                      | STARTED | COMPLETED |
|---|---|---------|-----------|
| partnerships: a corporate communication perspective   |   |         |           |
| A strategic communication approach to managing stakeholder relationships according to the King Report on Governance       | Meintjes, C (Thesis)                        |         | 2012      |
| Public relations marketing: a framework for stakeholder management in life healthcare group of hospitals - eastern region | Van Oudenhove de St Gèry, LA (Dissertation) |         | 2010      |
| Strategic communication management in the non-profit adult literacy sector  | Wiggill, MN (Thesis)                        |         | 2009      |
| Governance and financial sustainability of NGOs in South Africa   | Hendrickse, RF (Thesis)                     |         | 2008      |
| The strategic management of the communication relationship between an NGO and its stakeholders                            | Janse van Rensburg, A (Dissertation)        | 2003    |           |
| A communication model for financial sustainability of stakeholder relations   | Thomson, N                                  | 2008    |           |
| NGOs as stakeholders in CSI in South Africa   | Diedricks, R (Dissertation)                 | 2013    |           |

Source: Nexus (2015).

The most relevant completed studies on stakeholder relationship management since the release of the King III Report on Corporate Governance, are *A strategic communication approach to managing stakeholder relationships according to the King Report on Governance*, by Meintjes (2012), and *A strategic sequential, integrated, sustainable organisation-stakeholder relationship (SISOSR) model for building stakeholder partnerships: a corporate communication perspective*, by Slabbert (2012).

Meintjes's (2012:iv) study focussed specifically on stakeholder relationship management, utilising the King III Report on Corporate Governance as foundation to develop a positioning framework and guidelines for stakeholder relationship management. Slabbert's (2012) study addressed the gap in the literature on how to

build organisation-stakeholder relationships through the proposition of a generic, integrated approach to sustainable organisation-stakeholder relationship (OSR) building with strategic stakeholders. She integrated strategic stakeholder identification, OSR development and OSR maintenance, which are often studied independently, in order to establish a new unified model. Meintjes (2012) and Slabbert (2012) referred to the King III Report on Corporate Governance, focussing on companies listed on the Johannesburg Stock Exchange (JSE), and both studies concentrated on the role of communication professionals and the contribution of the corporate communication function in for-profit organisations.

The limited research on the role and contribution of stakeholder relationship management in NPOs resulted in another relevant study done by Wiggill (2009) on *strategic communication management in the non-profit adult literacy sector*. This study focussed on NPOs, specifically the adult literacy sector, and endeavoured to present a simplified Steyn and Puth (2000) strategic communication model in order to assist NPOs to practise strategic communication. Wiggill concentrated on the communication management function in NPOs and conducted interviews with communication practitioners or personnel responsible for communication in the organisations.

A significant finding of the Wiggill (2009:187) study was that none of the researched NPOs employed a full-time communication practitioner, and that none of the people responsible for the organisations' communication function had any formal communication training. She (2014:279) posits that NPOs are constrained by the lack of knowledge pertaining to strategic communication and relationship management. In a study to illustrate how NPOs could bridge the communication divide in South Africa, Holtzhausen (2014:291) also discovered that the majority of the NPOs researched did not have an employee solely responsible for the communication function, but that the task was added to the numerous responsibilities of directors, social workers and other staff members.

A number of journal articles addressing stakeholder relationship management concepts within the NPO environment, were found. They are summarised in Table 2.1 according to their dates of publication.

**Table 1.2: Journal articles addressing stakeholder concepts within NPOs**

| ARTICLE TITLE   | JOURNAL  | AUTHOR(S)                                       | DATE |
|---|--|---|------|
| Relating to marketing? Why relationship marketing works for not-for-profit organizations  | <i>International Journal of Nonprofit and Voluntary Sector Marketing</i><br>4(4):327–337 | Brennan, L and Brady, E                         | 1999 |
| Relationship fundraising: How to keep donors loyal  | <i>Nonprofit Management and Leadership</i><br>12(2):177–192                              | Sargeant, A                                     | 2001 |
| Managing stakeholder relationship and non-profit organisation effectiveness   | <i>Nonprofit Management &amp; Leadership</i><br>15(3):295-315                            | Balser, D and McClusky, J                       | 2005 |
| Causes and consequences of donor perceptions of the quality of the relationship marketing activities of charitable organisations      | <i>Journal of Targeting, Measurement and Analysis for Marketing</i><br>13(2):122–139     | Bennett, R and Barkensjo, A                     | 2005 |
| Relationship marketing in the not-for-profit sector: An extension and application of the commitment-trust theory                      | <i>Journal of Business Research</i><br>58(6):806–818                                     | MacMillan, K, Money, K, Money, A and Downing, S | 2005 |
| The link between strong public relations and donor support  | <i>Public Relations Review</i> 33(1):99-102  | O'Neil, J                                       | 2007 |
| Applying relationship management theory to the fundraising process for individual donors  | <i>Journal of Communication Management</i><br>12(1):73-87                                | Waters, RD                                      | 2008 |
| Increasing fundraising efficiency through evaluation: Applying communication theory to the non-profit organisation-donor relationship | <i>Nonprofit and Voluntary Sector Quarterly</i><br>40(3):458-475                         | Waters, RD                                      | 2011 |

Source: Researcher's own construct.

The authors listed in Table 1.2 all conclude that mutually beneficial relationships between NPOs and donors will contribute to NPOs' organisational success, but none provides a fully developed model for building and sustaining these relationships, which points to the unique contribution of this study. The content and implications of these studies are discussed in detail in Chapter 5.

In reviewing the literature, it is thus evident that research and guidance pertaining to a model for designing a practical stakeholder relationship management strategy, aimed specifically at the NPO sector, are lacking.

### **1.6 METAMODERN WORLDVIEW OF THE STUDY**

Postmodernists reject absolute standards and grand theories, typical of the modernism approach, in favour of awareness and tolerance of differences, ambiguity and conflict (Overton-de Klerk & Verwey 2013:364). Modernists, however, believe in a single truth, accept metanarratives and believe that grand theory represents knowledge and can explain everything (Woods 1999:9; Irvine 2014).

It seems, however, that the opinions of the modernism rationale versus postmodern rationale are blurring. Both schools of thought agree that a grand theory will not explain everything in public relations (Grunig 2006:153) and that a multiparadigm approach has become necessary (Overton-de Klerk & Verwey 2013:363). In an effort to illustrate the move from modern to postmodern organisational practice and its impact on communication management, Overton-de Klerk and Verwey (2013:377) concluded that there is a need for a new and creative approach to communication management in which both modernism and postmodernism should play a balanced role.

Holtzhausen (2008:26) argues that communication management practitioners and scholars should study communication practices from the perspectives created by their own milieus which appear to be mostly modernistic. Clark (2006:195) believes that theoretically we may be in a period of postmodern thinking, but that modernism is still ruling powerfully. According to Shapiro (2013:99), South African brand leaders still believe that profit is the only bottom line and operate predominantly from a modernist paradigm in which active consumer stakeholders are neglected.

Concurring that it is not necessary to destroy one paradigm in favour of another (Grunig 2006:153), that multiple believes could co-exist (Brown 2006:214), that communication research should be studied in the given milieu (Holtzhausen 2008:26) which is arguably mostly modernistic in South Africa (Shapiro 2013:99), the worldview for this study would therefore be an interrelated worldview of modernism and postmodernism, namely metamodernism. Metamodernism does not imply a balance between modernism and postmodernism, as suggested by Overton-de Klerk and Verwey (2013:377), but represents a constant swinging of the pendulum during which metamodernism negotiates between modernism and postmodernism (Vermeulen & Van den Akker 2010:5). Vermeulen and Van den Akker (2010:5), who brought the concept to the fore in 2010, define metamodernism as an ontological oscillation between modernism and postmodernism. It is argued that this worldview would enable a new and creative approach to communication management as proposed by Overton-de Klerk and Verwey (2013:377).

An attempt will be made to honour the claims of both modernism and postmodernism (Bertens 1995:248) and to discover the value and relevance of both these claims to NPO stakeholder relationship management within an metamodern approach.

### **1.7 THEORIES FRAMING THE STUDY**

This section presents a brief chronological discussion of the main theories which are considered relevant in the context of this study namely: the systems theory, integrated communication, the excellence theory, the mixed-motive model of two-way communication, and the stakeholder relationship theory. These theories have been chosen since they are all concerned with interdependence, the management of relationships and stakeholder centrality.

#### **1.7.1 The systems theory**

The historical origin of the general systems theory can be traced back to 1936 when it was developed by Ludwig von Bertalanffy who felt the need for a theory to guide research in several disciplines because of striking parallels between them (Begley, 1999).

Pearson (1990:220) argues that the systems theory has become a recognised meta-theoretical departure point for public relations (and by implication communication management) by pointing out that the systems theory concept started to appear in the 80s in the published works of important communication management scholars. Littlejohn (2002:37,52) defines the general systems theory as a broad, multidisciplinary approach to knowledge, based on the system concept, and agrees that the systems theory has been an immensely useful tool in the study of corporate communication, because it demonstrates how communication involves the interaction of complex sets of variables. The open system approach assumes that communication does not take place in isolation, but rather in a complex communication system (Bowers & Courtright 1984:23; Littlejohn 2002:46).

System theorists distinguish between close and open systems and according to Gregory (2000:268), closed systems thinking forces communication practitioners to be more technical and excludes them from the dominant coalition. New systems thinking not only embraces open-systems thinking, but is also aligned with the adaptive model of open systems. The adaptive model was advocated by Buckley (1967:2) and holds that if organisations engage stakeholders in order to achieve a shared meaning and sense-making, the process will lead to deliberate change, rather than trying to preserve the organisation in its current form. This model allows communication practitioners to not only function on a technical level, but also on a managerial and strategic level, participating in policy and decision-making (Gregory 2000:269).

The systems theory within the realm of communication science has been criticised by various authors. Gregory (2000:266) believes that public relations literature does not focus on the latest thinking of the systems theory and Gunaratne (2008:175) argues that communication researchers seem confused and unclear about the exact nature of the systems theory. Another criticism given by Broom (2006:148-149) is that public relations practitioners and researchers are guilty of strengthening the profession's inclination to work in a closed system because they often apply only concepts and models published in public relations literature. He argues that these concepts are regularly inadequately explained and that the public relations body of knowledge does not grow through this closed-systems approach.

This study is concerned with the stakeholder relationship management process of NPOs and will therefore focus on the adaptive model of open-systems thinking advocated by Buckley as early as 1967 in which stakeholders are invited by organisations to engage and participate until there is a shared sense of meaning (Gregory 2000:273). The adaptive open systems perspective maintains that a successful organisation is effectively managing relationships within and between its own internal subsystems (internal stakeholders), as well as relationships with its suprasystems (external stakeholders) (Dahnke & Clatterbuck 1990:162). According to Woodward (2000:256), this characteristic is particularly important in the corporate communication context, since the corporate communication field has responded to a more demanding environment by emphasising relationship building and maintenance, rather than knowledge and persuasion.

### 1.7.2 Integrated communication

Lin (2001:47) linked systems thinking and integrated communication (IC) conclusively when he stated that “systems thinking draws a blue print to tackle the main issues of IC and helps to build a systemic approach of IC”.

Niemann (2005:30) defines integrated communication as follows:

...the strategic management process of organisationally controlling or influencing all messages and encouraging purposeful, data-driven dialogue to create and nourish long-term *profitable* [own emphasis] relationships with stakeholders.

The use of the terminology *profitable*, however, implies a relationship with stakeholders that is primarily in the interest of the organisation and its shareholders.

Barker's (2013a:104) argument that strategically integrated communication is imperative in the building of *sustainable* (as opposed to *profitable*) stakeholder relationships, would rather be used in this study as it links to the adaptive model of open-systems thinking which endeavours to reach a shared sense of meaning between organisations and stakeholders, thus contributing to a sustainable relationship.



Most theorists agree that integrated communication (IC) evolved from integrated marketing communication (IMC) (Wightman 1999:18; Barker 2013a:10; Smith & Place 2013:170), but there are fundamental differences as illustrated in Table 1.3.

**Table 1.3: The difference between IMC and IC**

| <b>INTEGRATED MARKETING COMMUNICATION</b>                                 | <b>INTEGRATED COMMUNICATION</b>   |
|---|---|
| Predominantly concerned with customers                                    | Focusses on all stakeholders and has a holistic approach.               |
| The organisation is instrumental in integrating the communication process | Stakeholders are instrumental in integrating the communication process. |
| Focusses on the sending of messages                                       | Has a two-way communication approach.                                   |
| Concentrates on external messages   | Ensures the integration of internal and external messages.              |
| Marketing and communication departments drive the content of messages     | Strategic objectives of the organisation drive the content of messages. |
| Is mostly concerned with technical aspects                                | Contributes to the strategic thinking process of the organisation.      |

Source: Researcher's own construct conceptualised from Wightman (1999:19); Niemann (2005:27); Kerr, Schultz, Patti and Kim (2008:513); Swart (2010:58); Johansen and Anderson (2012:277); Barker (2013a:113).

Wightman (1999:19) summarises the difference between IMC and IC conclusively with his view that through IC stakeholders combine all the communication impressions of an organisation into one holistic impression of the organisation, thus becoming the true integrator of the communication process. This is in contrast with IMC with its focus predominantly on the customer.

Niemann's (2005:28) viewpoint that strategic integrated communication will lead an organisation to greater stakeholder centricity and Hallahan's (2009:318) statement that the integration of organisational messages is imperative if organisations wish to communicate consistently with stakeholders, enhance the relevance of integrated communication to this study.

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### 1.7.3 The excellence theory

The IABC excellence study, funded by the International Association of Business Communicators (IABC) in 1985 led to the origination of the excellence theory. This theory has become the founding theory for many research ventures in the communication management field (Grunig et al 2002:xi).

The excellence theory supports a number of suppositions that are relevant to this study. It illustrates that the relationships communicators developed with stakeholders contribute to the value of communication management in an organisation, that solid stakeholder relationships will strengthen an organisation's reputation and that an organisation's behaviour plays a more important role in the quality of its stakeholder relationship and reputation than the dissemination of organisational messages (Grunig et al 2002:xi).

Grunig et al (2002:10) maintain that an organisation will attain its goals if the communication management function adheres to the excellence theory criteria, since it will lead to the alignment between an organisation's goals and the expectations of its strategic stakeholders.

The excellence theory is important for this research since this landmark study did not focus only on stock exchange-listed companies, but also on government agencies, associations and non-profit organisations (Bowen 2005a:307). It furthermore acknowledges the importance of the alignment between organisational goals and stakeholder expectations.

The excellence theory determines that communication management will improve the operation of an organisation if it upholds two-way symmetrical communication with its stakeholders (Bowen 2005b:840). Despite this, the main criticism against the excellence theory focusses on its predominantly two-way communication application which will be discussed in the next section.

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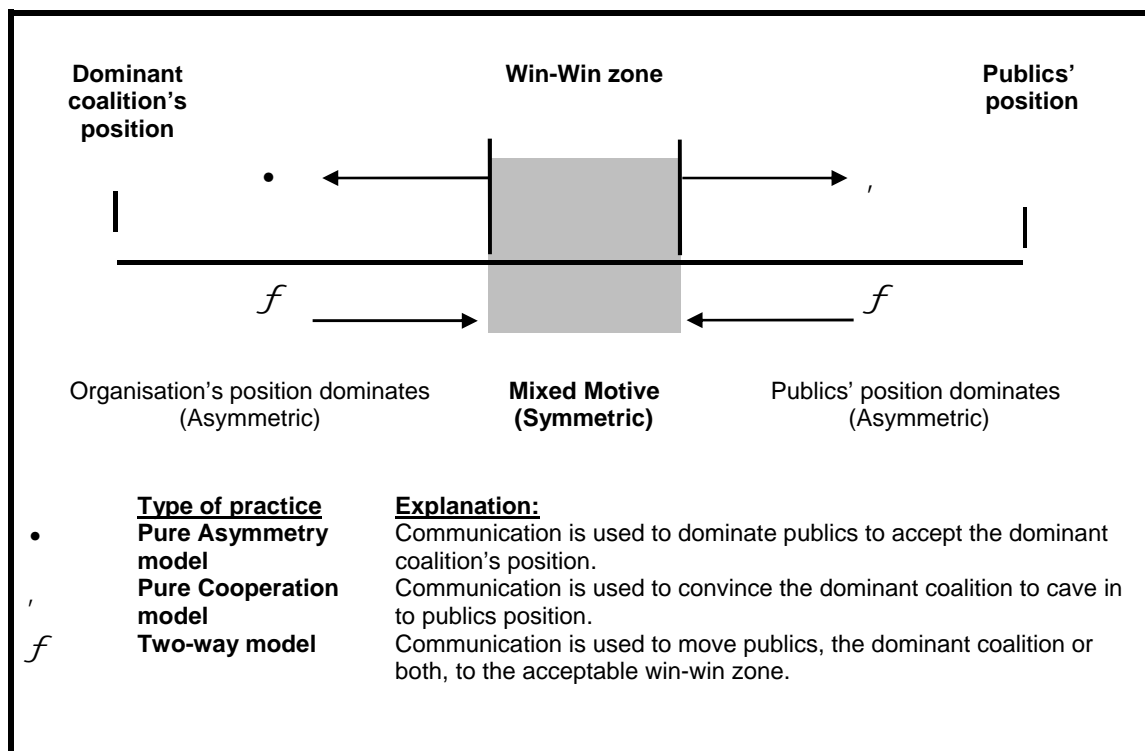
### 1.7.4 The mixed-motive model of two-way communication

Grunig and Hunt developed four models of public relations in 1984 namely the press agency (or publicity), public information, two-way asymmetrical and two-way symmetrical models (Grunig 2006:156). The excellence study advanced the two-way symmetrical model to a *normative* model, because it found that implementing this model will contribute to the achievement of organisational goals and should become the norm of how effective and socially responsible public relations *should* be practised (Kelly, Laskin & Rosenstein 2010:190).

The excellence study, which culminated in the excellence theory, illustrated that excellent public relations departments do not necessarily exclude the press agency and public information models, but that they typically practise two-way symmetrical communication (Grunig 2001:24). It proved that public relations adds value to the achievement of organisational goals when it supports symmetrical communication in an effort to build and nurture stakeholder relationships (Grunig 2006:158).

The symmetrical model has been criticised as idealistic, too accommodating if it focusses solely on the publics' interest and as such is unusable in practice (Nessmann 1995:158, Pieczka 1996:126). Research, however, indicates that the normative model of two-way symmetrical communication is practised by investor relations officers in the United States of America, thus disproving critical scholars' view that the model is too idealistic and not usable in practice (Kelly, Laskin & Rosenstein 2010:190).

The two-way symmetrical model and the two-way asymmetrical models were seen at opposite ends of a communication continuum in the early 90s, but a new model of looking at two-way public relations was suggested by Dozier, Grunig and Grunig in 1995 (Grunig 2001:25). The mixed-motive model moves symmetric communication to the middle of the continuum and illustrates that communication on either side of the spectrum remains asymmetrical. The new model of two-way symmetrical communication is graphically illustrated in Figure 1.1.



**Figure 1.1: The mixed-motive model of two-way communication**

Source: Grunig (2001:26).

Figure 1.1 illustrates that the asymmetrical position on the left will only have the organisation's interests at heart, while the asymmetrical position on the right will only be concerned with the publics' positions. In the win-win zone in the middle the communicator engages with both the dominant coalition and publics in order to reach an outcome in the interest of both parties (Grunig 2001:26).

The mixed-motive model of two-way communication expanded the symmetrical model to broader terms, and Grunig (2001:26) admits that asymmetrical communication may even sometimes be the best tactic to achieve the best position for an organisation. Holtzhausen (2000:106) echoes this when she argues for the acceptance of "dissensus in symmetry". However, since this tactic will be supported by a symmetrical worldview in line with the described model, it will still respect the integrity for long-term relationships which makes the mixed-motive model of two-way communication applicable to the study of stakeholder relationship management in NPOs.

The excellence study and the subsequent mixed-motive model of two-way communication recognise the importance of relationship-building by stating that

communication management contributes to organisational effectiveness through the building of long-term relationships with key stakeholders (Laskin 2009:46). The excellence theory, however, does not provide guidelines for the building of these relationships, which necessitates the need for incorporating the stakeholder relationship theory into this study.

### 1.7.5 Stakeholder relationship management theories and approaches

Freeman introduced the stakeholder approach to corporate management in 1984, coinciding with Ferguson's view that relationships should be the main focus of communication management and not the organisation, publics or the actual communication process (Ferguson 1984:16).

Numerous stakeholder theory approaches and stakeholder identification strategies followed Freeman's seminal stakeholder concept as illustrated Table 1.4.

**Table 1.4: Contributors to the development of stakeholder relationship management approaches**

| DATE | AUTHOR                           | THEORY, MODEL, FRAMEWORK, GUIDELINE OR PROCESS                                   |
|------|----------------------------------|--|
| 1984 | Freeman                          | Stakeholder management framework (SMF).  |
| 1984 | Ferguson                         | Relational paradigm of public relations.   |
| 1984 | Grunig and Hunt                  | The linkages model.  |
| 1989 | Donaldson and Davis              | The stewardship theory.  |
| 1991 | Savage, Nix. Whitehead and Blair | Assessing and managing stakeholders.   |
| 1992 | Hill and Jones                   | The stakeholder-agency theory.   |
| 1992 | Grunig                           | The situational theory of publics.   |
| 1995 | Donaldson and Preston            | The descriptive, instrumental, and normative theory.                             |
| 1995 | Clarkson                         | Stakeholder framework for analysing and evaluating corporate social performance. |
| 1997 | Mitchell, Agle and Wood          | Stakeholder identification and salience.   |
| 1998 | Ledingham and Bruning            | The relationship management theory.  |

| DATE | AUTHOR                  | THEORY, MODEL, FRAMEWORK, GUIDELINE OR PROCESS   |
|------|-------------------------|--|
| 1999 | Frooman                 | Stakeholder influencing strategies.  |
| 1998 | Svendson                | A model for corporate-stakeholder relations.   |
| 2001 | Jawahar and McLaughlin  | An organisational life cycle approach.   |
| 2002 | Friedman and Miles      | The critical realist stakeholder theory.   |
| 2002 | Post, Preston and Sachs | Stakeholder view.  |
| 2003 | Rowley and Moldoveanu   | Interest- and identity-based model of stakeholder group mobilisation.  |
| 2003 | Sachs and Munshi        | Relational stakeholder view.   |
| 2006 | Rawlins                 | Four-step process to prioritise stakeholders for public relations.   |
| 2007 | Gregory                 | Communication strategy typology.   |
| 2009 | Bourne                  | Stakeholder Circle <sup>®</sup> methodology.   |
| 2009 | Fassin                  | Stake model.   |
| 2010 | Falconi                 | Governance of stakeholders (GOREL).  |
| 2012 | Slabbert                | A strategic sequential, integrated, sustainable organisation-stakeholder relationship (SISOSR) model for building stakeholder partnerships: a corporate communication perspective. |
| 2012 | Meintjes                | A strategic communication approach to managing stakeholder relationships according to the King Report on Corporate Governance.   |

Source: Researcher's own construct.

Despite the work of above-mentioned scholars, one of the main criticisms against the stakeholder theory is the proliferations of definitions of the term *stakeholder*. According to Mainardes et al (2011:242), these various definitions have resulted in different perceptions that theorists have of the term (2011:242). Freeman's (1984:46) definition of a stakeholder as "any group or individual who can affect or is affected by the achievement of the organisation's objectives" is still regarded as the standard definition in the literature. However, Mainardes et al (2011:243) argue that Freeman's definition is too broad and that clarification is needed as to what constitutes a stakeholder group. They also question the theoretical mixture of the stakeholder theory and argue that it does not outline theoretical boundaries clearly. According to them,

the theory is often represented incorrectly as a technique or in support of other theories.

The definition of *relationship* is also not clear or commonly accepted by communication management scholars (Laskin 2009:46) and there is little agreement on what precisely can be called a relationship (Broom, Casey & Ritchey 1997:84).

Not disregarding the critique, the stakeholder theory and several of the subsequent developments will be used as a theoretical foundation for this study. Ledingham (2003:190) argues that organisational-stakeholder relationships that are managed effectively by considering common interests and shared goals, will eventually result in mutual understanding and benefit, not only for the organisation, but also for the stakeholders. It echoes Zsolnai's (2006:38) view that not only human beings and existing phenomena should be regarded as stakeholders, but also biological beings, ecosystems and future phenomena. This extension of the stakeholder definition holds specific challenges for organisations and implies a fundamental change which Zsolnai (2006:43) summarises as follows: organisations should contribute to the sustainability of the natural world; they should contribute to the development of the members of the society and they should respect the freedom of the next generations. This view strongly resonates with the broad mission and challenges of NPOs to provide sustainable development (Holtzhausen 2014:287).

Based on the discussion above, the interdependence between the systems theory and integrated communication became clear. Ledingham (2003:183) is of the opinion that the concept of relationship management complies with the principles contained in the systems theory as well as the two-way symmetrical communication model. His view, coupled with the fact that integrated communication has at its core the development of stakeholder relationships as previously discussed, reiterates the relevance of the stakeholder relationship theory, concepts and approaches to this study.

### 1.8 RESEARCH QUESTIONS

The following research questions are pertinent in addressing the research problem:

**Research question 1:** How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?

**Research question 2:** Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?

**Research question 3:** How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?

**Research question 4:** Are the communication strategies of the South African NPO sector linked to their stakeholder relationship management strategies?

**Research question 5:** Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?

Considering the research problem and questions and drawing from the literature review and provisional discoveries pertaining to the stakeholder relationship management practices of South African NPOs, a conceptual framework for stakeholder relationship management for NPOs will be suggested.

### **1.9 CONCEPTUAL FRAMEWORK FOR STAKEHOLDER RELATIONSHIP MANAGEMENT FOR NPOs**

It is envisaged that the conceptual framework for stakeholder relationship management for NPOs will not follow a linear process, but will rather consist of interrelated stages, reflecting both the seemingly internal modernistic as well as the external postmodernistic environments of South African NPOs. It is also envisaged that the conceptual framework would be aimed at senior management in NPOs and not only the communication practitioners, so that it becomes a realistic and implementable framework for the NPO sector with its apparent lack of communication practitioners.

In order to turn theory into practices and to develop the conceptual framework into a workable model, it needs to be tested in the NPO sector. Mouton (2001:56) differentiates between research design and research methodology. Adhering to Mouton's definitions, which will be discussed in detail in Chapter 6, the research



design and research methodology adopted to test the conceptual framework will be discussed in the next section.

### **1.10 RESEARCH DESIGN**

The paradigm war of postmodernism against modernism is also evident in the debate about the merits of qualitative versus quantitative research methods, but Bryman (2008b:14) believes that the differences between these two methods are largely inflated. Alastalo (2008:38) suggests that connecting research methods with theoretical approaches may be one of the reasons why research methods have become a much debated topic.

Reiterating the view that it is not necessary to destroy one paradigm in favour or another, the research design of this study will be qualitative, reinforcing the postmodern view of a reflective and interpretivist approach (Bryman 2008b:13), but supported by the modernistic theoretical approaches as discussed previously.

This empirical research study is exploratory in nature and will therefore be based on a qualitative research design in order to obtain insider perspective and a holistic view of the stakeholder relationship management practices in South African NPOs (Leedy 1997:144; Burke & Christensen 2002). The findings will be contextualised in an interpretative approach which aims to reach a deep and empathetic understanding of how people experience their everyday realities and accepts that people are continuously making sense of their worlds by interpreting, giving meaning, justifying and rationalising everyday actions (De Vos, Strydom, Fouché & Delport 2011:8; Neuman 2011:107).

### **1.11 RESEARCH METHODOLOGY**

Identifying the appropriate sample and obtaining, analysing and interpreting the data form part of the chosen research methodology as explicated next.

### 1.11.1 Unit of analysis

Units of analysis can be defined as “the collection of ‘things’ that will be studied” (Barker 1999:87) and represents the smallest elements under investigation (Du Plooy 2002:53). The entity to which the conclusions of this research study should apply (Mouton 1996:91), must represent the unit of analysis to be studied and will therefore consist of *individuals in South African NPOs*.

### 1.11.2 Population and target population

According to Mouton (1996:134), “population is the sum total of all the cases that meet our definition of the unit of analysis”. The accessible population for this study is therefore *individuals in NPOs in South Africa*. The target population, representing the population to be generalised to (Mouton 1996:135), is *managers in registered NPOs based in Gauteng* with the understanding that managers would include chief executive officers (CEOs), managing directors, heads of divisions (HODs), and/or individuals in a managerial position, including those responsible for the organisation’s communication function.

### 1.11.3 Sampling strategy

This study will make use of non-probability sampling, as opposed to probability sampling, since focussing on managers of Gauteng-based registered NPOs as the target population implies that not every unit in the population has an equal (or probable) chance to be selected as part of the sample. The sample will be selected deliberately for a particular purpose and therefore indicates a purposive sample (Leedy & Ormrod 2015:183), not with the intention to generalise the findings to the entire population, but to “elucidate the particular, the specific” (Creswell 2007:128). It will furthermore represent a convenient sample, since only managers representing Gauteng-based registered NPOs will be requested to participate.

The sampling method is therefore non-probability sampling through convenience and purposive sampling. Purposive sampling is relevant, since the identified sample is arguably best suited to answer the research questions and convenience sampling is

based on the location of the selected NPOs (Gauteng), as well as the availability and willingness of individuals to participate (Anon 2012).

### **1.11.4 Data collection**

Face-to-face interviews may be costly and time consuming, but remain the most flexible method of collecting data, allowing for verbal and non-verbal communication, the optimal combination for effective communication (De Leeuw 2008:317).

Face-to-face semi-structured interviews with managers in registered Gauteng-based NPOs are therefore regarded as an appropriate data collection methodology. The aim is to interview in the region of 15 managers, but the final number will depend on when the saturation of data is reached.

A semi-structured interview guide, containing open-ended questions, will be utilised in order to allow the researcher to formulate other questions, should the situation necessitate it (Bless & Higson-Smith 2000:105).

### **1.11.5 Trustworthiness and verification**

An earnest attempt will be made to verify the quality of the research process, as well as to ensure the trustworthiness, reliability and validity of the data and the findings (Guba 1981:80; Lincoln & Guba 2000:163; Morse, Barret, Mayan, Olson & Spiers 2002:13).

It was therefore decided to use both Lincoln and Guba's (Guba 1981:80; Lincoln & Guba 2000:163) criteria for assessing the trustworthiness of the data and findings, as well as Morse et al's (2002:13) verification strategies for establishing the reliability and validity of the study. This resonates with the metamodern worldview of this study and it is posited that paralleling positivist criteria of rigour with naturalistic criteria of trustworthiness, represents a perfect example of oscillation between modernism and postmodernism.

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### 1.11.6 Data analysis

QSR NVivo, a computer-assisted qualitative data analysis software (CAQDAS) programme will be used to code and categorise the data. NVivo is utilised by researchers to analyse all forms of data gathered through qualitative research methods and it allows the researcher to code the data into themes, sort it into categories, and identify connections and relationships between them (Hoover & Koerber 2011:70).

Whilst NVivo assists as a tool in data analysis, it does not do the intellectual work (Hoover & Koerber 2011:76) and the task of analysing and interpreting the data will remain the responsibility of the researcher.

The data will be recorded, transcribed, analysed and interpreted by using a combination of Marshall and Rossman's (1999:152-159) data analysis steps and Creswell's (2007:150-155) analytical spiral as described by De Vos et al (2011:403). Marshall and Rossman's data analysis process guides the researcher through linear steps, but not in a rigid fashion, allowing the researcher to review previous steps. This echoes Creswell's analytical spiral process whereby the researcher does not apply a fixed linear approach to data analysis, but moves between the steps in an analytical spiral. This structured, yet organic and flexible approach, fits comfortably into the metamodern worldview of this study.

### 1.12 RELEVANCE TO COMMUNICATION SCIENCE

This study will examine the stakeholder relationship management practices of NPOs as a strategic communication function, and therefore pertains specifically to the discipline of communication science. It will be conducted from the perspective of a number of theoretical foundations applicable to communication management as indicated.

Considering the apparent lack of communication specialists in the South African NPO sector, it is posited that this study will broaden the communication responsibility to NPO management in general. This would entail that NPO management should take

responsibility for the stakeholder relationship management function in the organisation even if a full-time communication specialist is employed. The communication specialist, should the organisation employ one, would therefore not practise stakeholder relationship management of behalf of the organisation, but enable the entire organisation to do it well. In line with a metamodern worldview, this would imply a decentralised approach in which modernistic and central control is balanced with a postmodern view of flexibility.

### 1.13 DELIMITATIONS

The delimitation of this study is threefold. Firstly, it should be noticed that although several references to the King Report on Corporate Governance will be made, the relevance of it for the South African NPO sector will not be investigated. It will merely serve as a reference to illustrate the importance of stakeholder relationship management as a governing principle.

Secondly, the study will refer to *managers*, rather than *leaders* and will focus on individuals in managerial positions in the organisation. Theorists regard both communication management and stakeholder relationship management as management functions, and it is therefore posited that those individuals in managerial positions should take responsibility for it and see that it is filtered through to the rest of the employees, some of whom might be natural leaders. Furthermore, the King Report on Corporate Governance addresses the boards of organisations directly, and gives them the responsibility for stakeholder relationship management with the directive that board members should delegate to an organisation's management, justifying the decision to specifically focus on managers, and not leaders in the NPO sector.

Lastly, this study will only focus on managers in registered NPOs which are based in Gauteng. Not only does this exclude unregistered NPOs, government-owned entities and the for-profit sector, but it would arguably make the model for stakeholder relationship management relevant only to NPOs in developing countries similar to South Africa.

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### 1.14 THESIS OUTLINE

The study will be done in three phases. Following this chapter, the metamodern worldview of the study will be contextualised, whereafter insights obtained from a thorough literature review of the relevant communication theories, stakeholder relationship management theories and approaches, as well as the current state of the South African NPO sector will be documented. Based on these understandings, a conceptual framework for stakeholder relationship management for NPOs will be proposed, which signals the end of phase one. Phase two will consist of empirical research as well as the analysing and interpreting of the data gathered during the face-to-face semi-structured interviews. The third and final phase will indicate how the research data guided amendments to the conceptual framework in order to advance it to a final model and will conclude with an overview of the study, including its limitations and unique scientific contributions. The chapter outline for this study will be as follows:

#### **Chapter 1: Background and rationale**

The first chapter provides the rationale that prompted the research problem and briefly discusses the background that guided the design of the research questions. It defines the key concepts used in this study and provides a brief overview of the main theories as well as the worldview framing this study. It concludes with a discussion of the research design and methodology that will be applied and indicates its contribution to communication science as well as its delimitations.

#### **Chapter 2: Towards an interrelated worldview of modernism and postmodernism for stakeholder relationship management**

This chapter will contextualise the choice of metamodernism as the appropriate worldview for this study and indicate how it represents a comfortable negotiation between the paradigms of modernism and postmodernism.

### **Chapter 3: Contextualise the relevant communication theories from a metamodern perspective**

Chapter 3 will motivate the choice for mostly modernistic communication theories and illustrate how they become relevant when approached from a metamodern perspective.

### **Chapter 4: The stakeholder relationship management concept and implications for communication management**

This chapter will discuss the origin and subsequent historical development of the stakeholder concept and illustrate how and when it became a relevant and important concept in the practice of communication management.

### **Chapter 5: Towards a conceptual metamodern stakeholder relationship management framework for non-profit organisations**

Guided by the foregoing literature review and considering the current state of South African NPOs, Chapter 5 will propose a conceptual metamodern framework for stakeholder relationship management for NPOs.

### **Chapter 6: Research design and methodology**

Chapter 6 will motivate the research design and methodology chosen to test the conceptual framework in the NPO sector.

### **Chapter 7: Interpretation of the findings and the implications for the conceptual framework**

Chapter 7 will be dedicated to presenting, analysing and interpreting the data, indicating the implications of the findings for the conceptual framework.

### **Chapter 8: Overview, scientific contribution and directions for further research**

The thesis will conclude with Chapter 8 by providing a brief overview of the study and its unique contributions, indicating possible directions for further research.

Figure 1.2 illustrates the relationship between the proposed chapters.

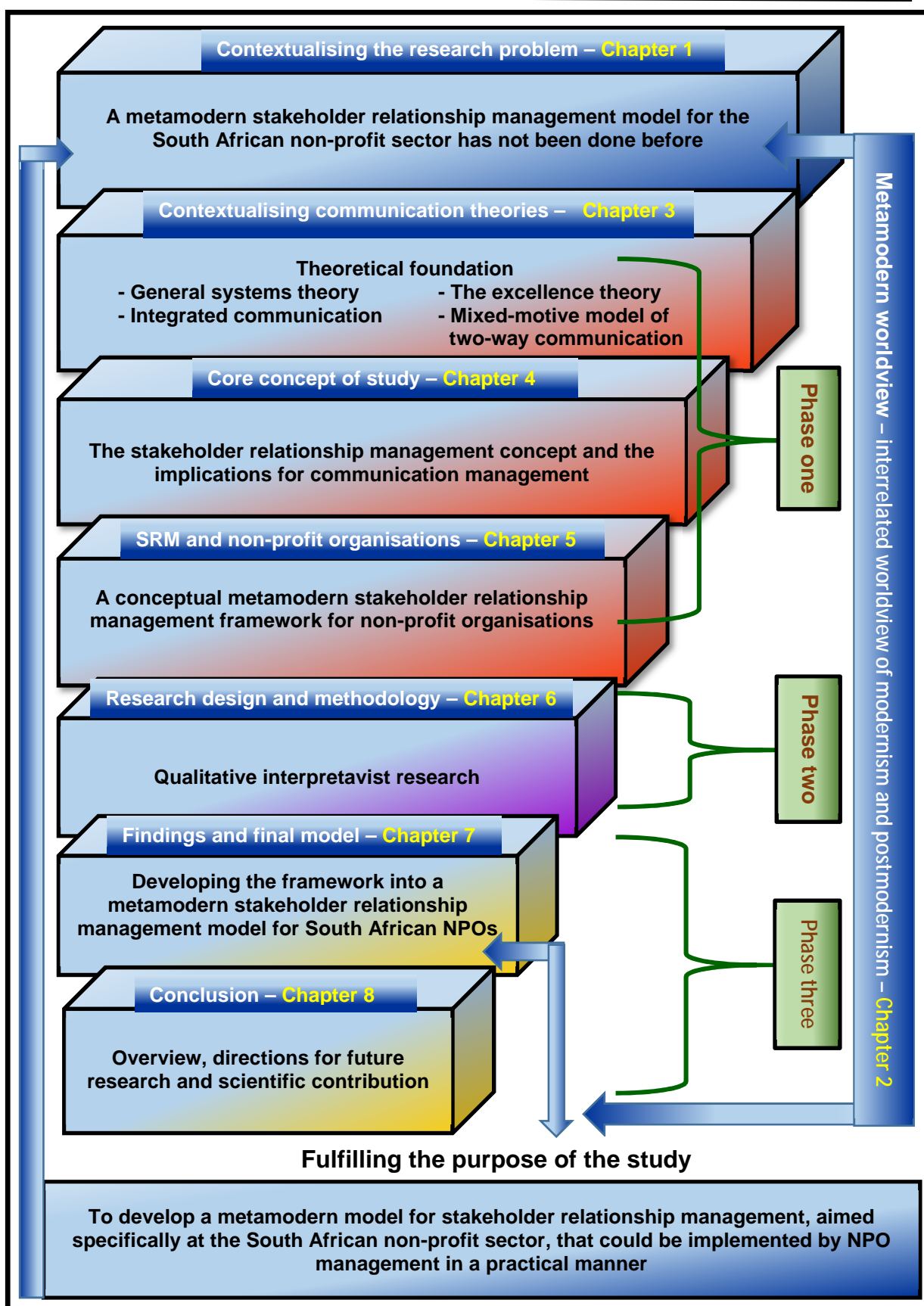


Figure 1.2: Relationship between the demarcated chapters



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**1.15 CONCLUSION**

The purpose of this study stated at the outset, is to ultimately develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner. It is envisaged that the final model will provide NPO managers with a road map to build and sustain relationships with strategic stakeholders.

It is foreseen that this qualitative research study will not only contribute to the field of stakeholder relationship management within communication science, but that it would expand the responsibility for communication and stakeholder relationship management beyond that of the communication specialists to senior management in NPOs, providing them with a practical and implementable model for stakeholder relationship management. It is also foreseen that it would provide the field of communication science with new and creative means of combining modernism and postmodernism approaches when studying communication phenomena, namely a metamodern worldview as discussed in the next chapter.

CHAPTER  
2

TOWARDS AN INTERRELATED WORLDVIEW OF  
MODERNISM AND POSTMODERNISM IN  
COMMUNICATION SCIENCE

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*In some ways, the story of modernism and postmodernism is like the story of the hedgehog and the hare: the hare could not win because there always was more than just one hedgehog. But the hare was still the better runner.*

(Huyssen 1984:49)

## 2.1 INTRODUCTION

Some postmodern scholars have criticised the theories traditionally-used in communication science as modernistic and outdated (Overton-de Klerk & Verwey 2013:378). They reject absolute standards and grand theories, typical of the modernism approach, in favour of awareness and tolerance of differences, ambiguity and conflict. In Chapter 1 it was posited that the opinions of modernism rationale versus postmodern rationale are blurring. Both schools of thought agree that a grand theory will not explain everything in communication science (Grunig 2006:153) and that a multiparadigm approach has become necessary (Overton-de Klerk & Verwey 2013:363).

It was concurred in Chapter 1 that multiple beliefs could co-exist, that communication science phenomena should be studied in the given milieu and considering that brand managers (and arguably NPO managers) mostly operate from a modernist paradigm, this research study will apply dominantly modernistic communication science theories from a postmodern approach, examining both positive (how it is practised) and normative (how it should be practised) stakeholder relationship management practices in NPOs. The worldview for this study would therefore be an interrelated worldview of modernism and postmodernism, contributing to communication science in a new and creative manner, as suggested by Overton de-Klerk and Verwey (2013:377).

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The purpose of this chapter is not to embark on a sophisticated, philosophical discussion of modernism and postmodernism or to critique the work of well-known philosophers such as Max Weber and Friedrich Nietzsche (modernists) or Jean Baudrillard and Jean-Francois Lyotard (postmodernists). Such overviews are many and widespread. The goal is to contextualise the movement from modernism to postmodernism and what followed after postmodernism, in order to illustrate the relevance of this development to the science of strategic communication and stakeholder relationship management. An attempt is also made to do this in such a manner that NPO managers would find it comprehensible and applicable to their business environments.

The structure of this chapter is illustrated in Table 2.1.

**Table 2.1: The structure of Chapter 2**

| CONCEPT   | DISCUSSION  |
|---|---|
| Origin and definitions of enlightenment, modernity and modernism    | <ul style="list-style-type: none"><li>Contextualising the origin of and explaining the difference between enlightenment, modernity and modernism.</li></ul>                 |
| Characteristics of modernism  | <ul style="list-style-type: none"><li>Describing how the modernistic characteristics such as absolute truths amongst others, had a significant impact on society.</li></ul> |
| Critique against modernism leading to the origin of postmodernism   | <ul style="list-style-type: none"><li>Illustrating that the discomfort about modernism and its beliefs led to the origin of postmodernism.</li></ul>                        |
| Defining postmodernity and postmodernism                            | <ul style="list-style-type: none"><li>Explaining the difference between postmodernity and postmodernism.</li></ul>  |
| Characteristics of postmodernism                                    | <ul style="list-style-type: none"><li>Defining the main characteristics of postmodernism.</li></ul>   |
| The difference and similarities between modernism and postmodernism | <ul style="list-style-type: none"><li>Illustrating the differences and similarities between modernism and postmodernism.</li></ul>  |
| Critique against postmodernism leading to metamodernism             | <ul style="list-style-type: none"><li>Contextualising the origin, definition and characteristics of a new paradigm, namely metamodernism.</li></ul>                         |
| Modernism, postmodernism, metamodernism and communication           | <ul style="list-style-type: none"><li>Illustrating the role of modernism, postmodernism and metamodernism in communication management.</li></ul>                            |

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| CONCEPT   | DISCUSSION   |
|---|--|
| Contrasting metamodernism against modernism and postmodernism | <ul style="list-style-type: none"> <li>Concluding that a metamodern worldview holds exiting possibilities for communication science research.</li> </ul> |

## 2.2 THE ORIGIN OF ENLIGHTENMENT, MODERNITY AND MODERNISM

According to Lottes (2011), the way Europe thought about Christianity, knowledge and values fundamentally changed during the Age of Enlightenment, which is historically regarded as the beginning of the modernity period. The origin of the Age of Enlightenment is attributed to three historical developments which started in the fifteenth century and culminated in the mid-eighteenth century into a new European worldview. Christianity lost credibility, the scientific revolution created new rules of truth, and the boundaries of Europe began to dissolve with the vast amount of knowledge flowing into it, thus opening a natural and social world to Europeans previously unknown to them (Lottes 2011). Lottes' (2011) explanation of the changes in European worldviews during the three historical roots of the Age of Enlightenment mentioned above, is summarised in Table 2.2.

**Table 2.2: Worldview changes during the Age of Enlightenment**

| HISTORICAL DEVELOPMENT  |   |   |
|---|---|---|
| Christianity lost credibility   | Scientific revolution   | Wealth of knowledge into Europe   |
| CHARACTERISTICS   |   |   |
| The church is questioned as instrumental in the salvation of an individual. | Authority of ancient and Christian writers was questioned.                            | European boundaries began to dissolve.  |
| The believer is directly in charge of his own faith before God.             | The statements of ancient and Christian writers did not count as valid proof.         | People became exposed to a social and natural world they did not know before. |
| Rift between Catholicism and Protestant principles.                         | Phenomena of the supernatural world were questioned.                                  | Traditional knowledge was tested.   |
| Dogmas and rituals were seen as man-made products and not the will of God.  | Statements were regarded only as true if they were founded in precise, quantified and | New knowledge with new criteria of truth was developed.                       |

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|  |                                      |   |
|--|--------------------------------------|---|
|  | reproducible experiments.            |   |
|  | New rules of truth were established. | It became necessary to explain the world differently. |

Source: Lottes (2011).

Lottes (2011) states that the human being was at the heart of the Enlightenment movement, not simply as a believer in God, but as an individual in pursuit of happiness, rather than salvation. He believes that the focus of modernisation was in the field now known as human and social science. These new principles of the eighteenth century had an impact on the individual as well as society, with reason being a key aspect of the Enlightenment Age (Silburn 2012).

Enlightenment was a fundamental feature of the modernity period (Silburn 2012) and Habermas (1981:8) states that although the idea of modernity was strongly linked to the development of European art, modernity only comes into focus when one moves away from the traditional concentration on art and adds morality and science which concurs with Lottes' (2011) explanation of the three historical movements leading to the "project of modernity" as it is referred to by Habermas (1981:8). The transfer of power from the aristocracy and kings to the upper-middle class – the so-called elite bourgeoisie - during the 18<sup>th</sup> and 19<sup>th</sup> century, effectively marks the arrival of the modern world (Liu 2003).

### 2.3 DEFINING ENLIGHTENMENT, MODERNITY AND MODERNISM

The term *Enlightenment* applies to the mainstream of European thought in the 18<sup>th</sup> century. Enlightenment followers attacked authority, dogmatism, censorship, intolerance and economic and social constraints (Liu 2003). They saw themselves as more modern, advanced, sophisticated and having more insightful truths than the ancients. From this flowed a historical period known as *modernity* (Morley 1996:51) defined by Schulte-Sasse (1987:6) as a historical period in which society was characterised by industrialisation and capitalism. The consequent result was a cultural movement called *modernism*, which was influenced by rationality and the belief in

functionality and science – originally in architecture and literature and later in social and political theory (Clarke 2006:111).

## **2.4 CHARACTERISTICS OF MODERNISM**

A key characteristic of modernism is the faith in human ability to reason in order to preserve and ensure human freedom and the belief that grand theory can represent knowledge and explain everything (Woods 1999:9; Irvine 2014). Modernism also believes in the infinite progress of knowledge, theology, moral and social development and defines standards of intelligibility, rationality and legitimacy meticulously (Woods 1999:11). Modernists accept master narratives and metanarratives of history, culture and national identity and believe in progress as the driving force behind history (Irvine 2014).

According to Stewart (1991:355), modern philosophers such as René Descartes (1596 - 1650) and Immanuel Kant (1724 – 1804) believed and insisted that one of the truths of the Enlightenment was that questions of *fact* can and must be separated from questions of *value*. This resulted in dualism, a key characteristic of modernism, in which concepts such as subject and object, will and reason, form and content, theory and practice, art and science, art and reality, literature and criticism are separated (Stewart 1991:355). Warf (1993:162) summarises the characteristics of modernism by pointing out that it concentrated on themes such as the rationality of human beings, science as the only form of knowledge and the certainty of progress. It focussed on the search for truth regardless of the time, place or social situations of the theoreticians themselves.

Habermas (1981:8), drawing from the work of Max Weber (1864 - 1920), describes modernism flowing from the Enlightenment as “the separation of the substantive reason expressed in religion and metaphysics into three autonomous spheres. They are: science, morality, and art”. Habermas (1981:9) further explains that modernism introduced a “culture of expertise” in which the so-called experts were seen capable of dealing with the problems pertaining to specific domains. This resulted in an ever increasing expanse between the culture of the experts and that of the man on the street. Science, morality and art were treated as autonomous disciplines by

specialists, but this led to the lack of the interpretation of regular communication, or what Habermas (1981:9) calls, “the hermeneutics of every-day communication”.

Habermas’ view has significant implications for communication science, since it is generally expected that the communication science specialist in an organisation would be responsible for the organisation’s communication and stakeholder relationship management efforts. This reiterates Habermas’ standpoint that the distance between specialists and, in this case, management in organisations, increases to the point where the interpretation of everyday communication becomes neglected and communication strategies are merely driven by the normative theories and processes prescribed by the specialists.

The implication for NPOs in South Africa is even more significant. As indicated in Chapter 1, studies done by Wiggill (2009:187) and Holtzhausen (2014:291) found that none of the researched NPOs employed a full-time communication practitioner, that none of the people responsible for the organisation’s communication function had any formal communication training, and that no employee was solely responsible for the communication function, but that the task was added to the numerous responsibilities of directors, social workers and other staff members.

The modernism belief in the organising of everyday social life (Habermas 1981:9), and by implication organisational stakeholders, through the absolute knowledge of specialists, thus becomes difficult for NPOs considering their lack of communication science specialists.

Though the concept of modernism arguably had a deep impact on society and has been investigated and applied by theorists in magnitudes (Cao 2012:3), it has also been critiqued intensely, which led to the origin of postmodernism.

## **2.5 CRITIQUE AGAINST MODERNISM LEADING TO THE ORIGIN OF POSTMODERNISM**

Twentieth century philosophers questioned the so-called faith in reason and master narratives, which characterised the Enlightenment and modernism, arguing that

human reason, typifying modernism, should be questioned since it could equally lead to the Holocaust as it could to liberty and equality (Woods 1999:9; Irvine 2014). This increasing lack of faith in the key features of modernism, signified the birth of postmodernism.

Jencks (2012) prefers to hyphenate the term as it was done in the 1970s and the 1980s – i.e. post-modernism – in order to illustrate its hybrid nature. He argues that postmodernism is a hybridisation of modernism of other cultural forces. Irvine (2014) disagrees somewhat that the hyphenated form of postmodernism refers to its hybrid nature and argues that the world is by default in a post-modern era - that is *after* a modern era - regardless of whether individuals embrace postmodern concepts or not.

In the interest of simplicity, the term *postmodernism* will be used un-hyphenated in this study, accepting it as a cultural phenomenon that came after modernism.

Although the term *postmodernism* only became popular in the 1970s (Huyssen 1984:24), the late 1950s and early 1960s are regarded as the start of postmodernism thinking (Jameson 1984). Woods (1999:3) argues that the origin of postmodernism is confusing and unclear, ironically so, because postmodernism inherently denies the concept of knowable origins. Lyotard (1984) and Jameson (1984) are often regarded as the originators of postmodernist philosophy since they were among the first scholars to be sceptic of the metanarrative and universal truths of modernistic thinking (Warf 1993:163).

Postmodernist such as Lyotard (1984) accused modernist beliefs as ideologies which enabled the so-called experts and authorities to legitimise everything from nuclear weapons to racism. This resulted in a disbelief in the metanarratives used by modernism leaders and experts to justify their actions and in the start of a new paradigm, namely postmodernism (Morley 1996:8).

Postmodernism thinking emerged on different dates in different disciplines and Woods (1999:12) links the late 1950s to art, the late 1960s to architecture, the early 1980s to cultural theory and the late 1980s to other social sciences, which are the domain of communication science. He also points out that the term *postmodernism* is not



understood in the same way in all these disciplines, which necessitates defining it in the context of communication science.

## **2.6        DEFINING POSTMODERNITY AND POSTMODERNISM**

Defining postmodernism is not a simple task and theorists agree that no single suitable definition exists (Hassan 1985:121; Stewart 1991:354; Irvine 2014). In fact, in 1996 Jencks illustrated seventy different related uses in various fields from the 1970s to the 1990s, including *post-industrial*, *postminimalism*, *post-Marxism* and *post-liberal* (Jencks 2012; Peters 2012:186).

As is the case with *modernity* versus *modernism*, most theorists agree that *postmodernity* refers to a historical period which came after the modernity historical period, whereas *postmodernism* is a cultural tendency flowing from the postmodernity period.

Schulte-Sasse (1987:6) simplifies the definitions of postmodernity and postmodernism by arguing that postmodernity refers to a socio-historical period of “material production of society” that came after modernity, and postmodernism is the “cultural reproduction” of that period. This is aligned with his definition of modernity and modernism discussed earlier. Irvine (2014) echoes this view when he defines *postmodern* as a condition of a historical period, but adds that the world is in *postmodernity* “whether we know it or not” (in other words, the world is in a historical period after modernity) and that *postmodernism* is reflected in certain movements with intention. It is therefore possible to live in the postmodernity period, but to favour a modernism worldview.

Hassan (1985:119) sees postmodernism as a “number of related cultural tendencies, a constellation of values, a repertoire of procedures and attitudes” and is hesitant to refer to it as a movement, paradigm or school of thought. Clarke (2006:134) echoes this view when he refers to postmodernism as a cultural trend and categorises postmodernity as a new phase in history in which postmodernism is symbolic of this new era. Firat and Dholakia (2006:126) agree when they state that “postmodernism is first and foremost a cultural phenomenon”.

Jean-Francois Lyotard, who defined postmodernism as an “incredulity toward metanarratives”, reiterated in an interview in 1988 that he believes that postmodernism does not signify an end to modernism, but rather another relation to it (Van Reijen & Veerman 1988:277), a view that will be supported for the purpose of this study and which will be explicated in the ensuing discussions.

## **2.7 CHARACTERISTICS OF POSTMODERNISM**

The broad cultural movement of postmodernism since the 1960s (Woods 1999:10) defends plurality in favour of domination that characterises modernism (Jencks 2012) and questions human’s ability to reason (Woods 1999:8).

Postmodernism could be regarded as a worldview which is commonly characterised by an understanding that goes beyond or after *modern* (Jencks 1992:10) and embraces perspectives that question the so-called truths of modernism, at the same time moving away from the use of modernistic grand narratives of goal-seeking history and progress (Stewart 1991:355; Irvine 2014). It revels in heterogeneity and believes that knowledge is created through the diversity of everyday life and is therefore fluid and ever changing (Warf 1993:164).

Different schools of thought have different and wide ranges of assumptions and arguments pertaining to postmodernism which complicates the study of this phenomenon (Irvine 2014). Although many dimensions to postmodernism (Firat & Dholakia 2006:125) exist, the generally mentioned and accepted characteristics of postmodernism are illustrated in Table 2.3.

**Table 2.3: Characteristics of postmodernism**

| CHARACTERISTICS  |
|--|
| <ul style="list-style-type: none"><li>• Prohibits grand theorising.</li><li>• Argues that dualism is misleading and unsustainable.</li><li>• Favours social and cultural pluralism.</li><li>• Self-reflexivity.</li><li>• Playful, open to change, anarchy.</li><li>• Anti-narrative, suspicious of master narratives.</li></ul> |

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| CHARACTERISTICS  |
|--|
| <ul style="list-style-type: none"><li>• Against interpretation.</li><li>• Rejects totalising theories.</li><li>• Sceptical of closure, certainty and control.</li><li>• Favours “responses” to questions, rather than “answers”.</li><li>• Steers clear of the drive for certainty.</li><li>• Emphasises that research findings are dependent on the situation and context in which the research was done.</li><li>• Prefers understanding over explanation.</li><li>• Wary of programmes designed to control human or nature.</li><li>• In favour of situated and informal interpretations.</li><li>• Accepts and appreciates differences.</li><li>• No commitment to a single project or way of being.</li><li>• Attention to the present, rather than the past or the future.</li></ul> |

Source: Researcher’s own construct conceptualised from Hassan (1985:123-124); Stewart (1991:354-355); Firat and Dholakia (2006:125-126); Irvine (2014).

It is clear from Table 2.3 that the characteristics of the postmodernism worldview hold specific challenges for research when *certainty*, *answers* and *explanation* are eschewed in favour of *uncertainty*, *responses* and *understanding*. Contributing to the complexity for the researcher, is the postmodern view that reality is complex, random and chaotic and, that in fact, no language could adequately describe it (Warf 1993:163), since ultimately language is the only medium available to describe and share research findings.

Stewart (1991:355) posits that communication scholars who believe that theory and method cannot be separated, that humans are also scientists and vice versa and that there is no clear borderline between informing and persuading, operate from the postmodern perspective. This view is specifically relevant to the field of communication science in the sense that communication scholars should not be ignoring the challenges of postmodern thinking in research and teaching, but should take cognisance of these perspectives and start developing new and creative approaches to communication science research (Stewart 1991:355; Overton-de Klerk & Verwey 2013:364).

## 2.8 THE DIFFERENCE BETWEEN MODERNISM AND POSTMODERNISM

Drawing on various fields and diverse movements, Hassan (1985:123-124) illustrates the difference between modernism and postmodernism by opposing the characteristics of the two paradigms as indicated in Table 2.4.

**Table 2.4: The difference between modernism and postmodernism**

| MODERNISM  | POSTMODERNISM   |
|--|---|
| <ul style="list-style-type: none"><li>• Purpose</li><li>• Design</li><li>• Hierarchy</li><li>• Art object/Finished work</li><li>• Distance</li><li>• Creation/totalisation/synthesis</li><li>• Presence</li><li>• Semantics</li><li>• Paradigm</li><li>• Hypotaxis</li><li>• Selection</li><li>• Root/depth</li><li>• Interpretation/reading</li><li>• Narrative</li><li>• Type</li><li>• Origin/cause</li><li>• Determinacy</li><li>• Transcendence</li></ul> | <ul style="list-style-type: none"><li>• Play</li><li>• Change</li><li>• Anarchy</li><li>• Process/performing/happening</li><li>• Participation</li><li>• Decreation/deconstruction/antithesis</li><li>• Absence</li><li>• Rhetoric</li><li>• Syntagm</li><li>• Parataxis</li><li>• Combination</li><li>• Rhizome/surface</li><li>• Against interpretation/misreading</li><li>• Anti-narrative</li><li>• Mutant</li><li>• Difference/trace</li><li>• Indeterminacy</li><li>• Immanence</li></ul> |

Source: Hassan (1985:123-124)

Hassan (1985:124) admits that there may be reversals and exceptions in both modernism and postmodernism, but is of the opinion that the features in the right column are indicative of what postmodernism constitutes.

Woods (1999:9) disagrees to some extent with the distinctions above when he states that the difference between modernism and postmodernism is not actually a chronological or set of different practices, but rather a difference in “mood or attitude”. This resonates with Jencks’s (1992:10) reference to postmodernism as a worldview.

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This view is also reflected in Irvine's (2014) distinction between modernism and postmodernism tendencies as summarised in Table 2.5. Irvine phrased these distinctions so well that they are used verbatim and not paraphrased, for fear that paraphrasing them may dilute the content and meaning.

**Table 2.5: Opposing tendencies of modernism versus postmodernism**

| MODERNISM/MODERNITY   | POSTMODERNISM/POSTMODERNITY   |
|---|---|
| <ul style="list-style-type: none"> <li>• Master narratives and metanarratives of history, culture and national identity as accepted before WWII (American-European myths of progress). Myths of cultural and ethnic origin accepted as received.</li> </ul> | <ul style="list-style-type: none"> <li>• Suspicion and rejection of master narratives for history and culture; local narratives, ironic deconstruction of master narratives: counter-myths of origin.</li> </ul>    |
| <ul style="list-style-type: none"> <li>• Progress accepted as driving force behind history.</li> </ul>  | <ul style="list-style-type: none"> <li>• "Progress" seen as a failed master narrative.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Faith in "Grand Theory" (totalizing explanations in history, science and culture) to represent all knowledge and explain everything.</li> </ul>  | <ul style="list-style-type: none"> <li>• Rejection of totalising theories; pursuit of localising and contingent theories.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Faith in, and myths of, social and cultural unity, hierarchies of social-class and ethnic/national values, seemingly clear bases for unity.</li> </ul>   | <ul style="list-style-type: none"> <li>• Social and cultural pluralism, disunity, unclear bases for social/national/ethnic unity.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Master narrative of progress through science and technology.</li> </ul>  | <ul style="list-style-type: none"> <li>• Scepticism of idea of progress, anti-technology reactions, neo-Luddism; new age religions.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Sense of unified, centred self; "individualism," unified identity.</li> </ul>  | <ul style="list-style-type: none"> <li>• Sense of fragmentation and decentred self; multiple, conflicting identities.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Hierarchy, order, centralized control.</li> </ul>  | <ul style="list-style-type: none"> <li>• Subverted order, loss of centralized control, fragmentation.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Faith and personal investment in big politics (Nation-State, party).</li> </ul>  | <ul style="list-style-type: none"> <li>• Trust and investment in micro-politics, identity politics, local politics, institutional power struggles.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Root/depth tropes. Faith in "depth" (meaning, value, content, the signified) over "surface" (appearances, the superficial, the signifier).</li> </ul>  | <ul style="list-style-type: none"> <li>• Rhizome/surface tropes. Attention to play of surfaces, images, signifiers without concern for "depth". Relational and horizontal differences, differentiations.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Crisis in representation and status of the image after photography and mass media.</li> </ul>  | <ul style="list-style-type: none"> <li>• Culture adapting to simulation, visual media becoming undifferentiated equivalent forms, simulation and</li> </ul>   |

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| <b>MODERNISM/MODERNITY</b>  | <b>POSTMODERNISM/POSTMODERNITY</b>  |
|---|---|
|   | real-time media substituting for the real.  |
| <ul style="list-style-type: none"> <li>Faith in the "real" beyond media, language, symbols, and representations; authenticity of "originals".</li> </ul>  | <ul style="list-style-type: none"> <li>Hyperreality, image saturation, simulacra seem more powerful than the "real"; images and texts with no prior "original".<br/>"As seen on TV" and "as seen on MTV" are more powerful than unmediated experience.</li> </ul> |
| <ul style="list-style-type: none"> <li>Dichotomy of high and low culture (official vs. popular culture). Imposed consensus that high or official culture is normative and authoritative, the ground of value and discrimination.</li> </ul> | <ul style="list-style-type: none"> <li>Disruption of the dominance of high culture by popular culture. Mixing of popular and high cultures, new valuation of pop culture, hybrid cultural forms cancel "high"/"low" categories.</li> </ul>                        |
| <ul style="list-style-type: none"> <li>Mass culture, mass consumption, mass marketing.</li> </ul>   | <ul style="list-style-type: none"> <li>Demassified culture; niche products and marketing, smaller group identities.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Knowledge mastery, attempts to embrace a totality. Quest for interdisciplinary harmony. Paradigms: The Library and The Encyclopedia.</li> </ul>  | <ul style="list-style-type: none"> <li>Navigation through information overload, information management; fragmented, partial knowledge; just-in-time knowledge. Paradigms: The Web.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Broadcast media, centralised one-to-many communications. Paradigms: broadcast networks and TV.</li> </ul>  | <ul style="list-style-type: none"> <li>Digital, interactive, client-server, distributed, user-motivated, individualised, many-to-many media. Paradigms: Internet file sharing, the Web and Web 2.0.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Centring/centeredness, centralized knowledge and authority.</li> </ul>   | <ul style="list-style-type: none"> <li>Dispersal, dissemination, networked, distributed knowledge.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Determinacy, dependence, hierarchy.</li> </ul>   | <ul style="list-style-type: none"> <li>Indeterminacy, contingency, polycentric power sources.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Seriousness of intention and purpose, middle-class earnestness.</li> </ul>   | <ul style="list-style-type: none"> <li>Play, irony, challenge to official seriousness, subversion of earnestness.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Sense of clear generic boundaries and wholeness (art, music, and literature).</li> </ul>   | <ul style="list-style-type: none"> <li>Hybridity, promiscuous genres, recombinant culture, intertextuality, pastiche.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Clear dichotomy between organic and inorganic, human and machine.</li> </ul>   | <ul style="list-style-type: none"> <li>Cyborgian mixing of organic and inorganic, human and machine and electronic.</li> </ul>  |
| <ul style="list-style-type: none"> <li>The book as sufficient bearer of the word. The library as complete and total system for printed knowledge.</li> </ul>  | <ul style="list-style-type: none"> <li>Hypermedia as transcendence of the physical limits of print media. The Web as infinitely expandable,</li> </ul>  |

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| MODERNISM/MODERNITY | POSTMODERNISM/POSTMODERNITY                    |
|---------------------|--|
|                     | centreless, interconnected information system. |

Source: Irvine (2014).

Statements used in the abovementioned Table to describe the difference between modernism and postmodernism such as *rejection of totalising theories, loss of centralised control, institutional power struggles, navigation through information overload, change, anarchy and participation* have important implications for research. The rejection of totalising theories and the lack of universal truths under the postmodern paradigm, open the door for researchers to select options through preference, rather than dictating a single best approach (Goneos-Malka, Grobler & Strasheim 2013:123). Furthermore, should a researcher decide to make a clear distinction between a modernistic and postmodernistic approach, he/she should also select which orientation pertaining to knowledge will be implemented. The following would then be true from a modernistic orientation: objective knowledge, universal laws, meaningful generalisations, absolute truths, objectivity and a belief in metanarratives. The contrary would be true from a postmodernistic orientation: contained knowledge, lack of universal laws, limited generalisations, irrationality, subjectivity and the rejection of metanarratives (O'Shaughnessy & O'Shaughnessy 2002:13; Brown 2006:214; Firat & Dholakia 2006:126; Goneos-Malka et al 2013:123).

Scholars in communication science should be aware of these challenges and realise that many of the well-entrenched theories and models used in communication science research such as the systems theory, the excellence theory, the two-way symmetrical communication model to name a few, are inherently modernistic, dictating to some extent a single best approach to studying, understanding and implementing best practices in the field of communication science. Postmodern scholars question objectivity and believe that the conventions of a researcher's discipline compromise the process of knowledge collection (Warf 1993:163), thus implying that the conventional communication science theories mentioned above, are suspect since they may compromise the communication researcher's process of knowledge collection, creation and sharing.

Kaya (1999) posits that the real challenge for researchers, from a postmodern perspective, is to admit their “subjectivity, incompleteness and partialness of perspectives” and to accept that objectivity in research, from a postmodern perspective, is unrealistic. Researchers, as much as anyone else, view the world through their own personal experiences and therefore construct all knowledge socially.

Despite this strong opposition from postmodern scholars against modernism, there are nonetheless a number of similarities between these two paradigms which warrants closer investigation.

## **2.9 SIMILARITIES BETWEEN MODERNISM AND POSTMODERNISM**

Silburn (2012) argues that a number of similarities exist between the concepts of modernism and postmodernism, despite the differences between them.

Not only are they both cultural paradigms, but their political dimensions are both played out in domains where the terminology is not used in any obvious manner (Abramson 2015a). Freedom of choice is a fundamental focus of postmodernism, allowing individuals to lead the life they wish within an increasingly globalised world characterised by technological developments. This freedom of postmodernism is similar to the freedom people experienced at the beginning of modernism – free to move into cities to participate in the industrial revolution, for example (Silburn 2012).

Silburn (2012) also argues that boundaries became unclear in postmodern society, resulting in uncertainty for individuals. Arguably, postmodernism has this in common with modernism, considering Lottes’ (2011) argument that boundaries in Europe began to dissolve and truths as people knew them, became exposed as untrue or different truths.

Social solidarity and equality are also similarities between modernism and postmodernism, although specific applications may vary. Society grouping together for a cause is in principle a modern feature, but social solidarity also exists in postmodernism, albeit on a global scale, supported by technology (Silburn 2012).



Connor (2004:10) argues that modernism and postmodernism are both concerned with the present, in the sense that modernism is concerned about the present, but differentiates distinctly between past, present and future, whereas postmodernism's present includes all time.

Postmodernism has always been criticised by true modernists, but during the early 1990s criticism against the postmodern worldview by theorists who were not modernists and had no wish to regress to modernism, started to surface.

## **2.10 CRITIQUE AGAINST POSTMODERNISM**

Although the postmodern paradigm has transformed theorising in social science and made a significant contribution to various disciplines, it came under critical scrutiny from the early 1990s for its vagueness and lack of concrete analysis of theories (Calás & Smircich 1999:649).

The cultural tendencies of postmodernism are played out in a globalised environment and ultimately one not only can't, but should not make a choice between clarity and ambiguity, the one and the many, sameness and difference, unity and disunity, universalism and particularism, dualism and pluralism (Featherstone 1985:5; Hassan 1985:128). Huyssen (1984:49) posits that postmodernism does not make modernism obsolete or replace it, and that it actually appropriates many of modernism's concepts and techniques in new and creative patterns.

Considering Hassan (1985:121) statement that humans are all a "little Victorian, Modern and Postmodern at once" and that modernism and postmodernism cannot be separated by something concrete, it becomes clear that one cannot escape modernism and that modernism and postmodernism should be seen as a continuum (Agger 1990:217) where overlaps may exist. Agger (1990:209 & 211) argues that it is impossible for postmodern theorists not to be energised by modernism and the period of Enlightenment, and that postmodern intellectuals should find a way to formulate their thinking without renouncing modernism. Woods (1999:6) reinforces this argument by stating that the relationship between modernism and postmodernism is continuous and that postmodernism needs modernism to survive.

Lasn and Grierson (2000:38) summarised the discomfort about postmodernism succinctly when they declared that “postmodernism is arguably the most depressing philosophy ever to spring from the Western mind”. From their point of view - albeit an extreme view – nobody understands postmodernism fully, which makes it difficult to discuss and describe. According to them, the human race has been plummeted into an infinite crisis of meaning by the postmodern view that originality no longer exists and that the modernistic belief in progress, religion and utopian visions, is dead. This resonates with Jean Baudrillard’s pessimistic version of postmodernism in which it is believed that society has imploded on itself and that there is no way forward. In sharp contrast to this view, is Jean-Francois Lyotard’s postmodern optimism where metanarratives are rejected, difference is celebrated, and new forms of knowledge are taken into account, all showing the way forward (Clarke 2006:127-128).

These extreme postmodern views pose certain problems for research in the sense that it leaves no room for secure foundations for determining truths about how to think about and live prudently on earth (Haselhurst 2012) and by implication, how to think about and manage business and communication in the organisation prudently.

The discomfort of many theorists in favouring modernism over postmodernism or vice versa becomes evident by the plethora of accommodating and substituting terminology found in the literature in order to describe an alternative paradigm such as *anti-modernist*, *para-modernist* (Zavarzadeh 1975:75); *modernist-postmodernist* (Gooding-Williams 1987:108); *reflexive modernism* (Lash 1993:1); *pseudo-modernism* (Kirby 2006:35); *critical modernism* (Jencks 2007:1); *premodernism*; *digimodernism* (Kirby 2009:1; Seymour 2011:288); *neo-modernism* (Faye 2012:2); *altermodernism* (Jencks 2012), amongst others.

Considering the arguments provided, searching for a workable alternative between the absolute and opposing views of modernism versus postmodernism becomes imperative, hence the next section focusses on an existing, relatively new view, namely metamodernism, a paradigm which is largely unexplored in the field of communication science.

## 2.11 ORIGIN, DEFINITION AND CHARACTERISTICS OF METAMODERNISM

Zavarzadeh (1975:69;75) coined the terms *metamodern* and *metamodernist* as early as 1975 in a literary discussion on American fiction, when he argued that a sharp division no longer exists between fact and fiction. It was thereafter used infrequently by others theorists, but the cultural theorists Vermeulen and Van den Akker (2010:1-14) brought the concept to the fore with their essay *Notes on Metamodernism* and opened the door for a new worldview pertaining to the concepts of modernism and postmodernism.

Vermeulen and Van den Akker (2010:4) did not state downright that postmodernism tendencies were over, but argued that many of them were taking a new shape and cited a number of reasons for this, namely the financial crisis, geopolitical instability and climate changes. They claimed that the current generation's attitude is one of informed naivety (modernistic/postmodernistic) and at the same time pragmatic idealistic (postmodernistic/modernistic). The metamodernistic worldview is thus created by the modernistic desire to make sense of the world and the postmodern doubt about the sense of it all (Vermeulen & Van den Akker 2010:6).

Vermeulen and Van den Akker (2015), by their own admittance, did not fully explore and develop their notion of metamodernism in the years to follow, thus allowing other theorist to do so, often resulting in misinterpretations of what they meant when they conceptualised the original framework.

The prefix *meta* has been much debated by theorists (Kadagishvilli 2013:560), but the explanation given by Vermeulen and Van den Akker (2010) seems to be accepted by most. They explained the meaning of the prefix *meta* as “with”, “between” and “beyond”, and posited that metamodernism should be situated epistemologically with modernism and postmodernism, ontologically between modernism and postmodernism and historically beyond modernism and postmodernism (Vermeulen & Van den Akker 2010:2). Kadagishvili (2013:561) concurs with his clarification that the Greek originated prefix *meta* which translates as “after”, but could also mean “with” (epistemologically) and “between” (ontologically), which he describes as qualitative changes or positions.

According to Vermeulen and Van den Akker (2015), metamodernism is not a philosophy per se, since anything referred to as a philosophy implies a closed system of thought with boundaries. They describe metamodernism rather as “a structure of feeling”, indicating that it is an awareness that is widespread enough to be referred to as a structure. In this sense, metamodernism is somewhat similar to postmodernism considering Clarke's (2006:112) states that postmodernism is “a state of mind” more than anything else. Abramson (2015a) does not disagree with this description, but argues that metamodernism is equally a cultural paradigm and can therefore also be regarded as a system of logic (described as such by Vermeulen and Van den Akker in 2010, but denounced by them in 2015), a movement and a philosophy.

Although Vermeulen and Van den Akker (2010:5) define metamodernism as an ontological oscillation between modernism and postmodernism, they reiterate that it does not imply a balance between these poles, but rather a constant swinging of the pendulum during which metamodernism negotiates between modernism and postmodernism. Acknowledging the use of the term metamodernism by theorists before them, Vermeulen and Van den Akker (2015) stress that they do not disapprove of prior conceptualisations of metamodernism, but explain that their notion of the concept differs from previous notions. It does not merely suggest an alternative to postmodernism, but rather a new modernism which operates side-by-side to both modernism and postmodernism.

Kadagishivili (2013:559) expands on the definition above by referring to metamodernism as a new movement in various disciplines in which the style and manner pertaining to thinking and behaving deviate and oscillate. He concurs with Vermeulen and Van den Akker (2010) that metamodernism is different from postmodernism and argues that whereas postmodernism is playful, ironic, insincere and unsteady, metamodernism can be regarded as more serious and sincere, oscillating between opposing ideas such as totality and fragmentation, naivety and knowledge, enthusiasm and irony, amongst others. Kadagishivili (2013:564) holds that metamodernism is clear and simple and that it provides a balance between modernism with its promise of hope, and postmodernism with its expression of disappointment.

Metamodernism does not stipulate a total rejection of either modernism or postmodernism (Vermeulen & Van den Akker 2010; Abramson 2015b), neither does it imply a compromise between modernism and postmodernism or simply taking the best (which would be a subjective choice in any case) of modernism and postmodernism. It is the construction of a workable, interrelated worldview, recognising the intimate relationship between external and inner conditions, as well as physical and social variables (Freinacht 2015).

Abramson (2015a) argues that a common understanding of the metamodernism concept is imperative at the early stages of this discourse, and that such a common understanding should accept that *oscillation* is at the centre of metamodernism and therefore at the centre of the metaprefix. Even though metamodernism may be actuated differently by scholars of different disciplines, most, or all of the presuppositions, should be accepted by them,

The struggle to clearly define metamodernism continues, but Hassan's (1983:18) view as early as 1983 that no exact verbal definition of modernism or postmodernism is necessary to realise that history is changing, being simultaneously continuous and discontinuous, still holds true for metamodernism today.

More importantly is an understanding of the premise of and the differences between a metamodernistic worldview in relation to the worldviews of modernists and postmodernists, since it is imperative for the successful application of a metamodern worldview in social science. This will be explicated in the next section.

## **2.12 MODERNISM, POSTMODERNISM, METAMODERNISM AND COMMUNICATION**

Woods (1999:227) argues that research and theories in social science, specifically the domain of communication science, are rooted in modernism and in the firm grip of positivism in which objective knowledge is key, believing that the truth is out there waiting to be discovered.

Holtzhausen (2000:100) concurs when she theorises that the traditional approaches to public relations, and possibly all the disciplines within communication science, are predominantly modernistic, reflected in its support of metanarratives and the domination of society. She bases this argument on the fact that activism in public relations receives so little attention and maintains that the practice of public relations in the Western world is predominantly positivist, a product of capitalism and modernistic in nature (Holtzhausen 2000:100). Well-known communication science texts such as *Excellence in Public Relations and Communication Management* (Grunig 1992) and the *Manager's Guide to Excellence in Public Relations and Communication Management* (Dozier et al 1995) are examples of modernistic public relations theories, since they focus on public relations as a management function, being part of the dominant coalition in organisations (Holtzhausen 2002:30). This argument would arguably be relevant to all specialised disciplines within communication science, including stakeholder relationship management, since Grunig (2013:19) believes that the excellence principles and concepts apply to them all.

Theories and models regularly used by communication scientists are therefore mostly modernistic. This includes inter alia the systems theory with its thrust towards self-regulation, control, order, structure and bias towards management (Dahnke & Clatterbuck 1990:162; Ströh 2005:240; Littlejohn & Foss 2011:50); the excellence theory and subsequent two-way symmetrical communication model with its prescriptive, normative drive and reference to the dominant coalition (Grunig et al 2002:10; Bowen 2005a:307).

Established communication science theories such as Grunig's excellence theory are regarded as mostly modernistic in nature because they are grounded in modern management rationale (Hallahan 2009:313) and are regarded by postmodern communication science scholars as too deterministic, rational, linear, process driven and normative, and therefore no longer relevant in a postmodern world (Piecicka 1996:16; Ströh 2009:203). Grunig, Grunig and Dozier (Grunig 2013:21) expanded the basic excellence principles in the early 2000s to accommodate the practising of public relations in different cultures, different systems and different activist activities as opposed to practising public relations the same everywhere. This did not pacify postmodern communication science scholars. In fact, the postmodern scholar

Holtzhausen (2008:26) goes so far as to state that the four historic public relations models, namely the press agency, public information, two-way asymmetrical and two-way symmetrical (resulting from the excellence study) models, should be “relegated to the archives”.

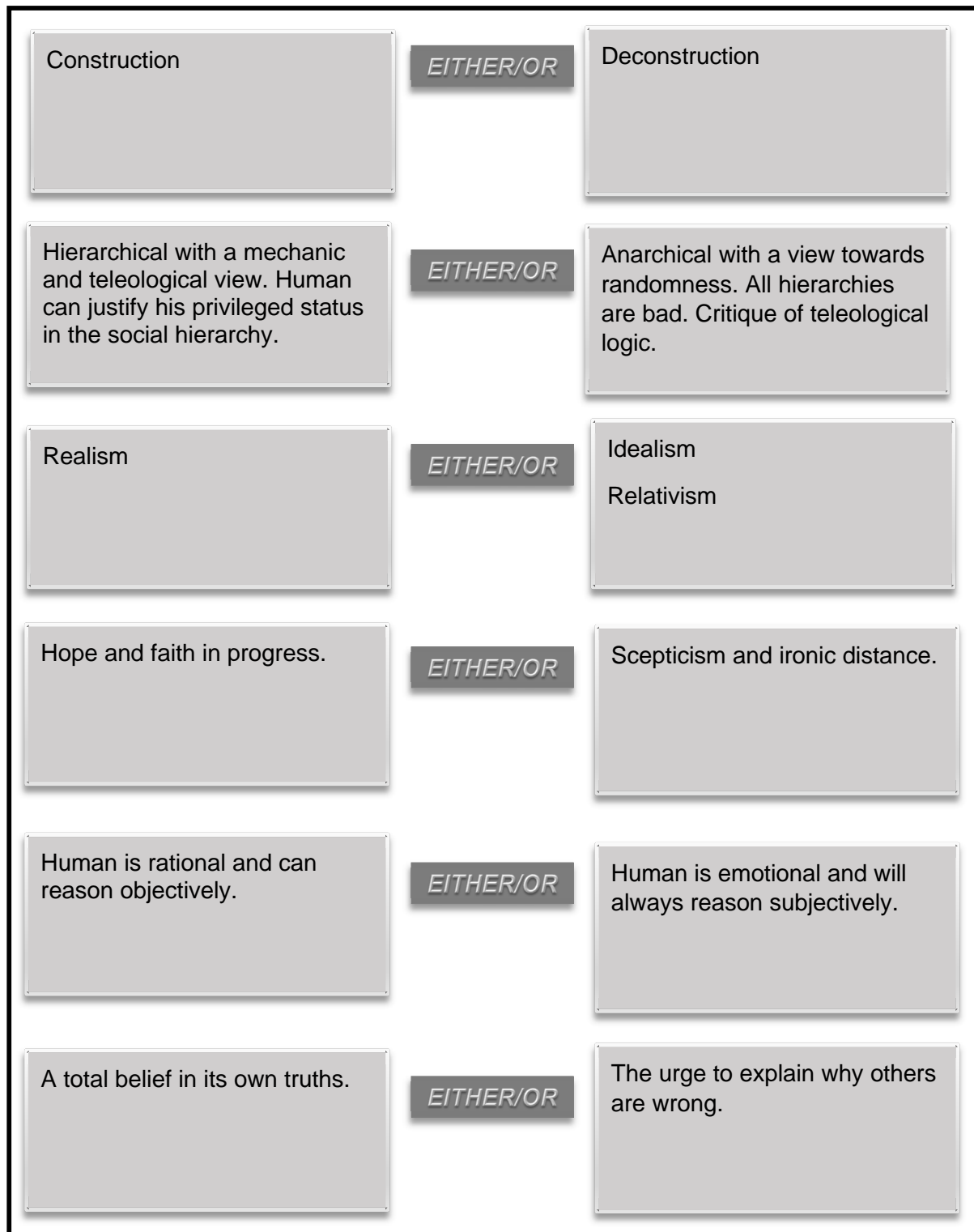
In line with this, Stewart (1991:372) posits that much of what communication scholars do is motivated by a modernistic view of theorising, teaching and researching. He does not suggest as strongly as Holtzhausen (2008) that these methods should be radically revised and changed, but does agree that the perspectives of postmodern scholars should be taken into account in order to reach new and innovative understandings of communication phenomena. Valentini, Kruckeberg and Starck (2012:875) concur and state that new paradigm thinking has become necessary in order for the public relations discipline to move forward into the highly digitalised and global environment of today. These arguments arguably hold true for all disciplines in communication science, including stakeholder relationship management which is the focus of this study. It is argued that a subjective postmodern approach would be of particular value to stakeholder relationship management, since it would incorporate the problems of stakeholders and bring them into the decision-making process (Grunig & Grunig 2013:58), enabling them to be part of the organisation and its strategic formulation (Ströh 2009:210).

Researching and practising communication science purely from a modernistic or postmodernistic worldview by practising an “*either-or*”, rather than a “*both-neither*” perspective, indeed paint a sombre picture as illustrated in Figure 2.1.

CHAPTER 2: TOWARDS AN INTERRELATED WORLDVIEW OF MODERNISM AND  
POSTMODERNISM IN COMMUNICATION SCIENCE

| MODERNISM   |                  | POSTMODERNISM  |
|---|------------------|--|
| Faith in knowledge and science.   | <i>EITHER/OR</i> | Critically questions all knowledge and science.  |
| Believes in history and progress. All development is good and uncritical praise towards technological advances. | <i>EITHER/OR</i> | Suspicious towards all grand narratives about progress. Things change, but no development takes place. |
| Democracy   | <i>EITHER/OR</i> | Democracy leads to injustices in societies.  |
| Humanity can recreate nature because it has the ability to reason.  | <i>EITHER/OR</i> | Humanity has destroyed the environment.  |
| The individual  | <i>EITHER/OR</i> | Relationships create the individual.   |
| A meritocratic society in which individuals advance and are rewarded for individual abilities.                  | <i>EITHER/OR</i> | A multicultural order where the weak are included.   |





**Figure 2.1: Contrasting modernism and postmodernism**

Source: Researcher's own construct conceptualised from Clarke (2006); Vermeulen and Van den Akker (2010); Vermeulen and Van den Akker (2015); Freinacht (2015); About metamodernism [sa]; Abramson (2015b).

Although the modernistic approach to communication science has been criticised by a number of postmodern theorists (Holtzhausen 2002:31), little has been done to replace the modernistic communication science theories by new postmodern theories such as chaos and complexity theories (Ströh 2005:239). Public relations is largely still seen as a management function aiming at controlling stakeholders, and postmodern scholar Ströh (2009:216) admits that a complete rejection of modernistic linear and logical strategic methodologies is not practical, since most communication specialists operate in business environments where they have to justify their contribution to the organisation's bottom line. If regarding public relations as a management function renders it modernistic in nature, the same holds true for stakeholder relationship management. Freeman et al (2010:60) declare that the foundation of the stakeholder concept was the *management* of relationships of those stakeholders who could make a difference to the organisation.

Holtzhausen (2000:100), with reference to public relations, posits that NPOs are not excluded from these strategies since they focus mostly on how to manage and liaise with their funders. However, she contends that public relations practitioners should have a firm grip on postmodernism and the value it could add to communication science, assisting to understand and communicate with diverse stakeholders. According to her (2000:107), the practice of public relations should not adhere to modernistic grand narratives, but practising it should be understood in a particular environment and at a particular time of being practised, in order to reflect the diversity of the societies in which practitioners operate. Holtzhausen (2000:111) argues in favour of a postmodern condition for public relations and believes the current body of knowledge in communication science needs to be examined critically from a postmodern perspective.

Freeman, who conceptualised the stakeholder theory in 1984, co-authored a new text on the topic in 2010 in order to, by his own admittance, address the inadequacies of the 1984 book, hoping to correct the resulting misinterpretations of the stakeholder theory (Freeman et al 2010:77). Although the authors do not describe it as such, they combine modernism and postmodernism perspectives in the 2010 text with their explanation that capitalism (modernism) is a "set of relationships" between various

stakeholders who “consist of human beings fully situated in the realm of both business and ethics” (postmodernism) (Freeman et al 2010:43).

Reasoning in favour of a purely postmodernistic view in communication science, holds certain challenges. Total acceptance of chaos and disorder becomes problematic in business, since some system of order and structure is inherent to business organisations. Management also proves to be a barrier to postmodern communication science practices because of management’s quest for power and control (Holtzhausen 2000:93-95). Many communities, certainly in South Africa, are not so globalised and digitalised as acknowledged by postmodernism (Valentini et al 2012:875), thus presenting a problem for communication specialists who prefer, for example, to reach stakeholders predominantly through social media. Postmodernism’s concentration on the present, largely ignoring the past (Firat & Dholakia 2006:125), is also unrealistic in a country with such a significant history as South Africa’s. Toth’s (2002:243) sentiment resonates when she states that theory should be practical and that postmodern thought in public relations becomes relevant only when it adds value to the body of knowledge. Faye (2012:177) goes so far as to state that it is time to look critically at postmodern understanding of science and general suggestions, since it has been “so devastating for any trust in the human sciences as they have been practised since the Enlightenment”.

In the same vein, both modernism and postmodernism have attributes conducive to communication science research and management – the modernistic faith in progress and acknowledgement of history, its belief in human’s ability to reason, the postmodernistic acceptance of openness, diversity and a multicultural society where the weak are included – all particularly relevant in South Africa with its rich history and diversity.

The frustration with an *either/or* approach in using these worldviews is evident in recent comments made by communication theorists. Grunig (2006:153) argues that a single grand theory will not explain everything in public relations. From the foregoing discussion it becomes clear that practising and researching communication science phenomena from either a purely modernistic or a purely postmodernistic worldview, hold certain limitations and that a different paradigm has become necessary.

Concurring with the suggestion that a new creative paradigm, reflecting both modernism and postmodernism, has become necessary in communication science research, the worldview for this study would therefore be an interrelated worldview between these two paradigms. Withstanding the temptation to create yet another term to describe such an interrelated worldview, the term *metamodernism* will be accepted as appropriate for the proposed interrelated worldview. A review of the literature revealed no application of the term metamodernism to communication science and the disciplines within it such as public relations and stakeholder relationship management, although it has been used in literary studies, economics, cultural theory, philosophy and mathematics in recent years (Abramson 2015b; Vermeulen & Van den Akker 2015).

The definition as proposed by Vermeulen and Van den Akker (2010:5) will be regarded as sufficient for this study, hence metamodernism will be seen as an oscillation between modernism and postmodernism, not necessarily a balance between these poles, but rather a constant swinging of the pendulum during which metamodernism comfortably negotiates between modernism and postmodernism, which is reflected on in the next section.

### **2.13      CONTRASTING METAMODERNISM AGAINST MODERNISM AND              POSTMODERNISM**

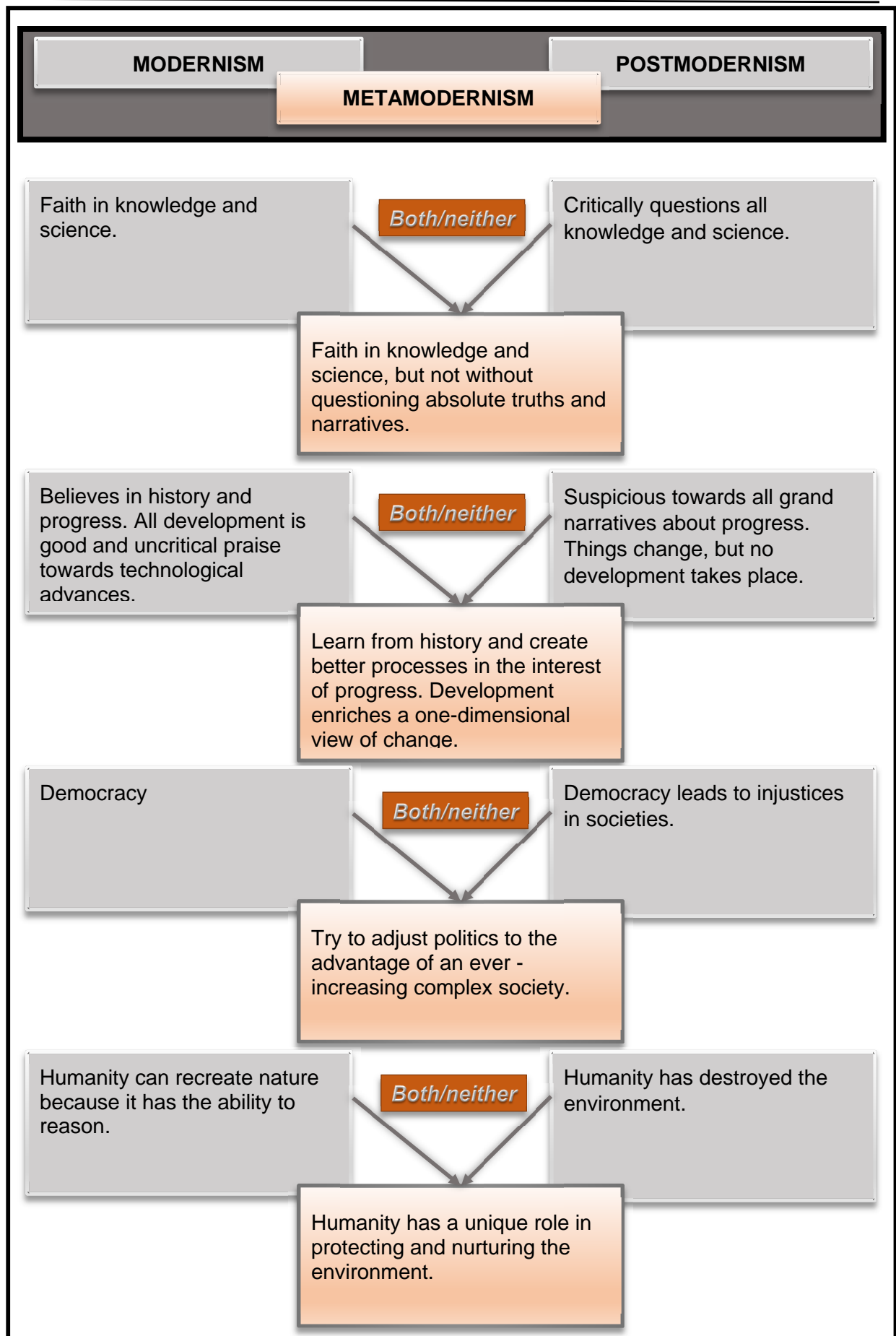
Freinacht (2015) reiterates that, in order to be a true metamodernist, one has to also understand modernism and particularly postmodernism. Ignoring postmodernism, as some integralists do, will result in a shallow version of metamodernism. He (2018) contrasts metamodernism against modernism and postmodernism by summarising the main traits of each of these philosophies. According to Freinacht (2018) modernism is tied to human rights, socialism, capitalism and democracy. It argues that people are set free through science and reality and that physics form the basis of this reality. Postmodernists believe that the narrative of science and subsequent progress is not necessarily true and often led to exploitation and oppression. They are, therefore, critical towards science and knowledge. Freinacht (2018) argues that the metamodern worldview “combines the modern faith in progress with the postmodern critique” thereof and that it typifies a different view of reality “in which people are on a

long, complex developmental journey towards greater complexity and existential depth”.

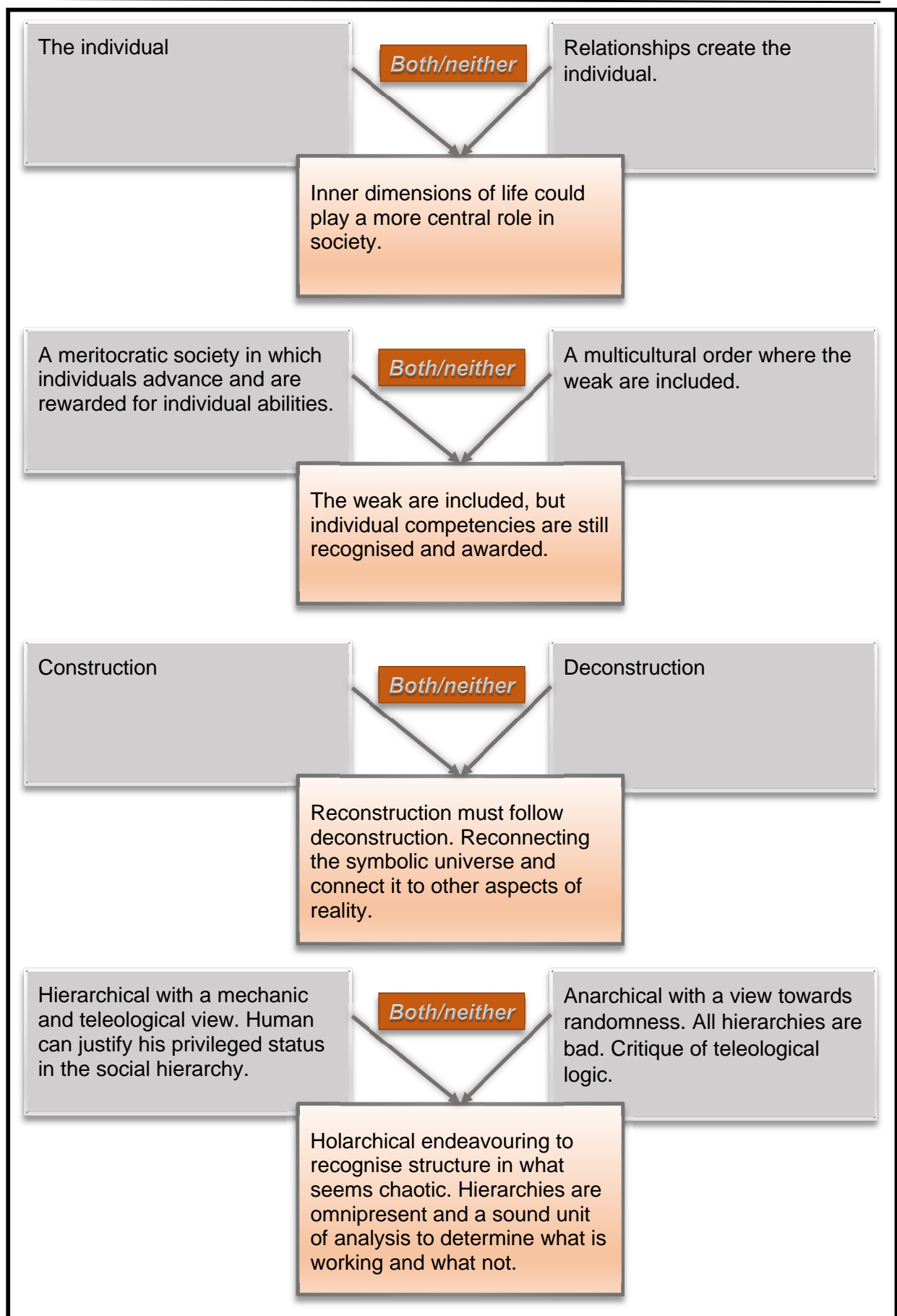
Vermeulen and Van den Akker (2010:6) conceptualised the epistemology and ontology of metamodernism in relation to modernism and postmodernism as a *both-neither* dynamic, and explain that it is simultaneously modern and postmodern as well as neither of them. Freinacht (2015) expands on this concept by changing it to *both-and*. According to him, a *both-and* worldview is needed to become a metamodernist which indicates a willingness to combine apparent opposites in order to construct new syntheses. Essentially his argument is the same as Vermeulen and Van den Akker's, hence the *both-neither* concept will be used for this study accepting that a metamodernistic worldview is comfortable with a fusion or amalgamation of modernistic and postmodernistic views into a new paradigm.

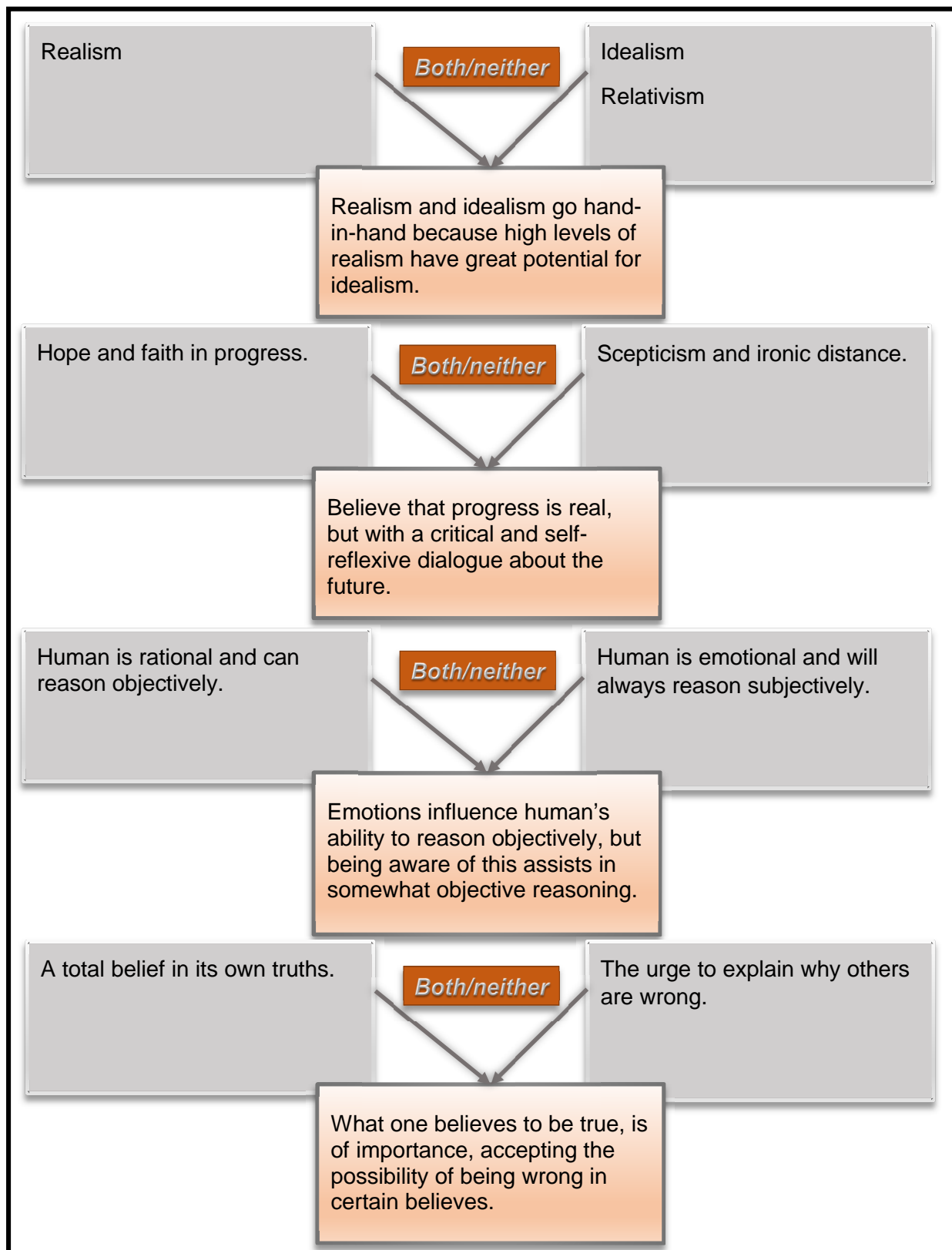
The difference between modernism, postmodernism and metamodernism is best explained by contrasting these various worldviews and by illustrating the syntheses between modernism and postmodernism achieved through metamodernism indicated in Figure 2.2.

CHAPTER 2: TOWARDS AN INTERRELATED WORLDVIEW OF MODERNISM AND  
POSTMODERNISM IN COMMUNICATION SCIENCE



## CHAPTER 2: TOWARDS AN INTERRELATED WORLDVIEW OF MODERNISM AND POSTMODERNISM IN COMMUNICATION SCIENCE





**Figure 2.2: Contrasting metamodernism with modernism and postmodernism**

Source: Researcher's own construct conceptualised from Clarke (2006); Vermeulen and Van den Akker (2010); Vermeulen and Van den Akker (2015); Freinacht (2015); About metamodernism [sa]; Abramson (2015b).



As with all concepts, paradigms and theories, metamodernism has not escaped criticism. Abramson (2015a) believes that the difference in disciplines contributed somewhat to scholars' different interpretations and subsequent critique. Summarising this critique, it amounts to referring to metamodernism as a "paramodernistic extension of modernism" or a "warmed-over postmodernism" – not a balance, but simply the same cultural steady-state.

Notwithstanding the critique and accepting that metamodernism and research based on this concept are still in its infancy (Abramson 2015b), it is posited that this worldview contains exciting possibilities for communication science research and the disciplines within it, such as public relations and stakeholder relationship management.

Concurring with Centore's (1991:57) view that societies need common standards, ideals and truths to survive, this argument holds true for organisations as well. In business an extreme postmodern worldview (in which chaos and multiple views of the truths pertaining to its business orientation are acceptable), would not be conducive to achieving (common) business goals. Not only did Shapiro (2013:99) confirm that South African brand leaders operate mostly from a modernist paradigm as illustrated in Chapter 1, but Holtzhausen (2000:93-95) also presented two vignettes of management's modernistic desire for power and control pertaining to public relations. Modernism is thus largely alive and well in business practice. Clarke (2006:195) confirms this with his argument that the postmodernism notions of globalisation and a world that has shrunk, pertain to the Western world and not to those countries where people are not part of these privileged networks. He believes that theoretically, we may be in a period of postmodern thinking, but that modernism is still ruling powerfully.

Designing a framework for stakeholder relationship management is inherently modernistic since it implies an organised, structured, grand narrative of how to manage (control) relationships with stakeholders. In fact, merely producing a structured study such as this one, with its orderliness and claim for legitimate knowledge, is modernistic. However, there are alternatives to this worldview in that, in a postmodernistic fashion, this grand narrative could be broken down into smaller truths, become localised, and the researcher could acknowledge subjectivity (Calás &

Smircich 1999:664) – all of which lean towards an oscillation between modernism and postmodernism and therefore towards metamodernism.

Accepting that the knowledge gained through this research project is provisional and dependent on context (Woods 1999:14) and concurring with Holtzhausen (2002:79) that a postmodern approach to research will contribute to a more critical evaluation of communication science and the disciplines within it, it is argued that a metamodern worldview would do so even more.

The endeavour of this study is to describe theory and research from a modernistic approach in the sense that the legitimacy of its epistemological licence is uncontested (Agger 1990:211). However, accepting that we are the “beneficiaries of a critical perspective on modernity” as argued by Cascardi (1992:15), and should therefore resist codifying modernism in a constricted dogmatic manner (Huyssen 1984:49), it will be done in a flexible manner in harmony with postmodern thinking. An attempt will be made to honour the claims of both modernism and postmodernism (Bertens 1995:248) and to discover the value and relevance of both these claims to stakeholder relationship management in an interrelated approach.

## **2.14 CONCLUSION**

This chapter discussed the origins, definitions of and critique against modernism and postmodernism, illustrating how it all culminated into a new paradigm, namely metamodernism. It demonstrated that a metamodern worldview oscillates and negotiates comfortably between modernism and postmodernism and argued that a metamodern worldview would make it possible for non-communication specialists in NPOs, who simultaneously operate in structured organisations, controlled by power-seeking management (modernistic) and chaotic, diverse, multicultural societies (postmodernistic), to understand and join the discussion on stakeholder relationship management.

Concurring with Putnam’s (1996:386) view that research reports should be written in such a manner that they are open to multiple readings and to involve participants and audiences in the production of such a report, this study will be written, as suggested

by Calás and Smircich (1999:664) in a “self-conscious” manner aware of the subjective choices made by the author, one of which is the chosen metamodern worldview for the study.

The next chapter will focus on the most prevalent theories in communication science and stakeholder relationship management namely the systems theory, integrated communication, the excellence theory and the mixed-motive model of two-way communication theory. These theories have been chosen since they are all concerned with interdependence, the management of relationships and stakeholder centrality.

CHAPTER  
3

CONTEXTUALISING THE RELEVANT COMMUNICATION  
THEORIES FROM A METAMODERN PERSPECTIVE

### 3.1 INTRODUCTION

A brief chronological discussion of the main communication theories which are relevant in the context of this study is presented in this chapter. It includes the general systems theory with a focus on the adaptive open systems theory, integrated communication, the excellence theory and the mixed-motive model of two-way communication. These theories have been selected from a wide range of theories because they address the key concepts of this study namely interdependence, the management of relationships and stakeholder centrality.

As mentioned in the previous chapters, many theories traditionally-used in communication science have been criticised by postmodern scholars as too modernistic and therefore outdated (Overton-de Klerk & Verwey 2013:378). This chapter will endeavour to illustrate that these so-called modernistic communication theories become relevant when approached from a metamodern worldview – a view that is comfortable with oscillating between the absolute truths of modernism and its faith in knowledge and science and postmodernism’s urge to question all knowledge and science.

The structure of this chapter, which is the first chapter of phase one of the study, is illustrated in Table 3.1.

**Table 3.1: The structure of Chapter 3**

| THEORY             | DISCUSSION   |
|--------------------|--|
| The systems theory | <ul style="list-style-type: none"><li>Discussing the origin of the general systems theory, the characteristics of the system theory, as well as the criticism against it. Illustrating how adaptive open-systems thinking becomes relevant to stakeholder relationship management when approached from a metamodern worldview.</li></ul> |

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| <b>THEORY</b>            | <b>DISCUSSION</b>  |
|--------------------------|--|
| Integrated communication | <ul style="list-style-type: none"><li>Defining integrated communication and illustrating how it differs from integrated marketing communication. Discussing the relevance of integrated communication for stakeholder relationship management from a metamodern worldview.</li></ul> |
| The excellence theory    | <ul style="list-style-type: none"><li>Discussing the mixed-motive model of two-way communication resulting from the excellence theory and illustrating the relevance of both concepts to NPO stakeholder relationship management from a metamodern worldview.</li></ul>              |

## **3.2 THE SYSTEMS THEORY**

*The search for the roots and hallmarks of general systems theory shows that its foundation rests on thoughts as old as human culture itself. Its most significant quality, that of an implicit order built into cosmos and human existence, indicates the existence of different kinds of hierarchies as organising elements. This hierarchical quality includes the concept of its own hierarchy, that is, there exists a hierarchy of hierarchies.*

(Skyttner 1996:22)

### **3.2.1 The origin of the general systems theory**

The historical origin of the general systems theory, as mentioned before, can be traced back to the 1930s when it was developed by Ludwig von Bertalanffy, who felt the need for a theory to guide research in several disciplines because of striking parallels between them (Von Bertalanffy 1972:411; Begley 1999). Von Bertalanffy (1972:411) postulated that through the general systems theory it becomes possible to precisely formulate terms which occur in all sciences dealing with systems - terms such as wholeness and sum, differentiation, progressive mechanisation, centralisation, hierarchical order, finality and equifinality. Von Bertalanffy (1972:412) also introduced the concept of open systems as a model of general systems, implying that all living systems exchange matter with the environment.

The relevance of these terminologies and of the so-called open systems concept for human science and particularly stakeholder relationship management, will be discussed in more detail in the next section.

### **3.2.2 Defining the general systems theory**

There appears to be consensus amongst scholars that the general systems theory is not a theory per se, but rather a set of concepts, a new way of thinking and an alternative approach (Ruben & Kim 1975:1-3; Skyttner 1996:21; Backlund 2000:444 & Littlejohn 2002:37). This was already pointed out by Von Bertalanffy (1975:7) when he stated that the focus of the general systems theory should be on a theory of universal principles applicable to systems in general, rather than on a theory of systems. Littlejohn (2002:37,52) regards the general systems theory as a broad, multidisciplinary approach to knowledge based on the system concept which resonates with the viewpoint that the general systems theory could be seen as a particular approach to research, rather than a theory per se.

In order to understand the concept of the general systems theory, it is necessary to determine what is meant by a system.

### **3.2.3 Defining a system**

Most theorists would agree that a cell or an atom represents a system of some sort, but when it comes to sociological systems such as human society, personality or language, it becomes more difficult to define the concept of a system (Von Bertalanffy 1972:421).

Skyttner (1996:16) is of the opinion that a frequently used definition of a system is the following: "A system is a set of interacting units or elements that form an integrated whole intended to perform some function", and clarifies it in every-day language as "any structure that exhibits order, pattern and purpose". He presents another definition which he refers to as pragmatic and used particularly by management namely "a system is the organised collection of men, machine and material required to accomplish a specific purpose and tied together by communication links". Backlund

(2000:446) does not believe that all systems intend to perform a function – he mentions planetary systems as an example – but since this study is concerned with social systems such as organisations and stakeholders, it will be assumed they do intend to perform some function.

All these definitions have elements that arguably apply to NPOs, their interactions with stakeholders, and their pursuit to achieve specific purposes like their business goals. The ability of the NPO system and its stakeholders to maintain their identities despite all the changes going on in and around them, is particularly relevant, since NPOs function in increasingly changing, difficult and demanding environments (Stuart 2013).

Taking the liberty of borrowing from all abovementioned definitions, a system for the purpose of this study, is defined as follows:

*A system comprises of an organised collection of interacting units such as people, machines and material that form an integrated whole which functions to accomplish a specific goal. Systems are able to maintain their identities in spite of changes going on and are tied together by communication.*

### **3.2.4 Characteristics of the systems theory**

Theorists are generally in agreement about the characteristics of the general systems theory (Skyttner 1996:20). These characteristics are summarised in Table 3.2.

**Table 3.2: The properties of the general systems theory**

| CHARACTERISTIC                                   | DESCRIPTION  |
|--|--|
| Wholeness, interrelationship and interdependence | <ul style="list-style-type: none"><li>• A system by definition implies a unique whole, but in a system the whole is more than the sum of its parts. A system is the result of interaction amongst the various parts. Not only are these parts interrelated and cannot be understood separately, but they are constrained by their dependence on other parts in the system. This interdependence is responsible for the organisation in a system.</li></ul> |
| Hierarchy  | <ul style="list-style-type: none"><li>• Systems are likely to be embedded within one another. One system is part of a higher system. Every complex</li></ul>   |

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| CHARACTERISTIC  | DESCRIPTION  |
|---|--|
|   | <p>system consists of a number of suprasystems (the larger system of which a system is part) and subsystems (the smaller systems within a system).</p> <ul style="list-style-type: none"> <li>• According to systems theorists, a system has a set of boundaries which indicates some degree of differentiation between what is included in and excluded from the system. This would imply that supra- and subsystems also have boundaries, but that these boundaries should be permeable to some extent so as not to prevent the supra- and subsystem from functioning within the mother system.</li> </ul> |
| <p>Transformation process:<br/>Input, throughput and output</p> | <ul style="list-style-type: none"> <li>• In order to reach their goals, all systems transform inputs into outputs.</li> <li>• Input - Open systems import energy from the external environment.</li> <li>• Throughput - Open systems transform the energy available to them. During this process some work is done and the system converts energy from the environment into products that are usable by the system itself or by the environment.</li> <li>• Output - Open system passes on a product into the environment.</li> </ul>  |
| <p>Systems as cycles of events</p>                              | <ul style="list-style-type: none"> <li>• The activities of the energy exchange have a recurring character.</li> <li>• The source of energy for repeating the cycle of events, is supplied by the product exported into the environment.</li> </ul>   |
| <p>Information, negative feedback and the coding process</p>    | <ul style="list-style-type: none"> <li>• Systems receive information input and will react to it through a coding process. Information in the form of negative feedback enables a system to correct itself.</li> </ul>  |
| <p>Interchange with the environment</p>                         | <ul style="list-style-type: none"> <li>• If open systems take in and let out energy, it stands to reason that they interchange with the environment. Therefore the system both affects and is affected by its environment.</li> </ul>  |
| <p>Entropy and negative entropy (negentropy)</p>                | <ul style="list-style-type: none"> <li>• The tendency of systems to develop energy and order over time is referred to as negative entropy (reversing of entropy), whilst losing energy and dissolving into chaos is seen as entropy. Systems must reverse the entropic process in order to survive.</li> </ul>   |
| <p>Regulation and goal-seeking</p>                              | <ul style="list-style-type: none"> <li>• Systems are generally goal-orientated and they are governed by their purpose. A system's activities are controlled by its aims and the system regulates its behaviour to achieve those aims.</li> </ul>   |
| <p>Change and adaptability</p>                                  | <ul style="list-style-type: none"> <li>• Systems exist in a dynamic environment and must therefore be adaptable. Complex systems sometimes have to change structurally to adapt to the</li> </ul>  |



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| CHARACTERISTIC                       | DESCRIPTION  |
|--------------------------------------|--|
|                                      | environment and that kind of change might mean getting out of balance for a while. A system can adjust and adapt its goals, structure and processes depending on the nature of the feedback.   |
| Steady state and dynamic homeostasis | <ul style="list-style-type: none"> <li>Balance or homeostasis is self-maintenance. One of the tasks of a system, if it is to stay alive, is to stay in balance. It does this by sensing deviations from the norm and correcting those faults.</li> </ul>   |
| Integration and coordination         | <ul style="list-style-type: none"> <li>As integration proceeds, processes are needed for cohesive functioning. Social systems can achieve cohesion either through integration or coordination.</li> <li>Integration in smaller social systems comes through the sharing of norms and values.</li> <li>Coordination, rather than integration, is the principle for providing orderly and systematic delivery in larger social organisations.</li> </ul> |
| Equifinality and multifinality       | <ul style="list-style-type: none"> <li>This principle implies that open systems can reach the same final objective through varying inputs and in different ways.</li> </ul>  |
| Differentiation                      | <ul style="list-style-type: none"> <li>Open systems move in the direction of variation. Long-winded global patterns are replaced by more specialised functions and organisations favour specialists, rather than generalists.</li> </ul>   |

Source: Researcher's own construct conceptualised from Corman, Banks, Bantz and Mayer (1990:116-119); Skyttner (1996:19-21); Begley (1999); Littlejohn (2002:35-38).

#### 3.2.5 Systems theory developments

System theorists distinguish between closed and open systems or, as Gregory (2000:267) refers to them, mechanistic or organismic systems. Acknowledging that there may be degrees of closeness and openness, a closed system can be described as one that has no interchange with its environment and moves towards progressive internal chaos (entropy), disintegration and death (Littlejohn 2002:35).

The open systems theory, on the other hand, recognises that organisations are composed of both functional subsystems (classical approach) and social systems (humanistic approach), and that these are dynamically interrelated (Dahnke & Clatterbuck 1990:162). Open systems are characterised by living entities, including individuals, groups and organisations. The maintenance, survival and growth of an

open system depend on its relationship with its environment. An open system receives matter and energy from its environment and passes matter and energy to its environment (Littlejohn 2002:35). In an open system units within an organisation affect each other and the organisation as a whole responds to changes in the environment (Gregory 2000:267).

The open system approach assumes that communication does not take place in isolation, but rather in a complex communication system (Bowers & Courtright 1984:23; Littlejohn 2002:46). Add to this the complexity that most social systems and their subsystems could be partially closed and partially open (Kast & Rosenzeig 1972:453), it becomes clear that a flexible system thinking approach is necessary.

Kast and Rosenzeig (1972:454) argue that open-system thinking is not necessarily good and closed-system thinking bad and that both paradigms could be appropriate under certain conditions. This view resonates with a metamodern worldview of truths oscillating between seemingly opposing ideas.

New systems thinking not only embraces open-systems thinking, but is also aligned with the adaptive (or process) model of open systems. The adaptive model of open-systems thinking was advocated by Buckley (1967:2) and he explains that this model is applicable to systems which actually depend on “disturbances and variety in the environment” and in fact, flourish in it (Buckley 1967:40). It holds that the process of engaging stakeholders in order to achieve a shared meaning and sense-making, will lead to deliberate change, rather than trying to preserve the organisation in its current form.

There have been many developments of the systems perspective following Buckley’s seminal work namely critical systems thinking, organisational ecology, actor network theory, information theory and soft-systems thinking, amongst others (Bowers & Courtright 1984; Gregory 2000; Georgiou 2007). These developments are too numerous to discuss in the context of this study, but the notions of soft systems and autopoiesis pertain to this study and warrant a brief discussion.

Rapoport (1975:37 - 47) distinguishes between “hard” and “soft” view of systems theory and argues that the “soft” definition believes that “a system is a portion of the world that is perceived as a unit and that is able to maintain its ‘identity’ in spite of changes going on in it”. He continues by arguing that systems need not be material, such as language, and that human organisations and institutions fulfil the “soft” definition of a system. Skytnner (1996:17) agrees when he states that to qualify in order to be called a system, the so-called system must be able to continue its identity and must be directed towards a goal. Social systems fit the criteria for soft systems in the sense that they are systems which are subjectively definable and exist only in as far as humans postulate it as such (Georgiou 2007:29).

Magalhães and Sanchez (2009:7) argue that the influence of the open systems theory has led to the popular notion amongst scholars that all organisations are open systems, whereas, from an autopoietic perspective, organisational closure is a reality. The autopoietic perspective, which is one of the numerous developments in the systems perspective (Gregory 2000:270), is helpful in explaining organisational phenomena that are not explained through merely an open systems perspective. An organisation’s ability to continue with its own specific organisational dynamics whilst at the same time adjusting to external chaos, is typical of organisational autopoiesis (Dimitrov & Fell 1999). The important ideas from autopoiesis are that different organisations and people could have different perceptions of the same environment, that these perceptions are seldom objective, and that the environment is part of the organisation (Gregory 2000:270). Cognisance will be taken of the autopoietic perspective in this study, but Mingers’s (2006:193) view that, although it may be relevant in specific situations, autopoiesis has not been clearly demonstrated as a social theory, will also be kept in mind.

Concurring that social systems such as organisations and institutions can be regarded as systems and not ignoring the fact that systems could either be partially closed or open (Rapoport 1975:37-47; Georgiou 2007:29), this study will focus on NPOs and its stakeholders as mostly adaptive (soft) open systems. This requires an understanding of the concept of organisations as systems.

### 3.2.6 Organisations as systems

Although dated, Katz and Kahn (1978:18-34) provide one of the most comprehensive and influential explanations of the application of the open systems theory to the operation of organisations when, in basic terms, they suggest that:

- The operations of the independent parts in an organisation cannot be fully understood without looking at the total organisational system.
- Organisations must exchange (import-transform-export) 'energy' (products, information and materials) with their environments for survival.
- In order to survive, organisations must acquire 'negative entropy' and maximise their proportions of imported to exported energy so that they have enough resources to operate on a daily basis and to fall back on during difficult economic periods.
- Organisations should be viewed as systems in dynamic equilibrium (steady state or homeostasis) with their environments, thus constantly adapting.
- Organisations maintain equilibrium with their environments through the positive and negative feedback they receive from those environments.
- Organisations move in the direction of more versus less differentiation (or elaboration).
- Organisations possess multiple goals or purposes.
- Organisations can achieve the same final results from various initial conditions and by differing paths (the principle of equifinality).

In the context of this research study, NPOs will be regarded as *organisations* and the abovementioned properties will, from an adaptive open-systems thinking perspective, be regarded as applicable to them.

### 3.2.7 Criticism against the systems theory

As with all theoretical developments and despite its obvious benefits, the systems theory has not escaped its critics. Some of the general criticisms include: a failure to describe precisely what a system is; the assumption that the boundaries between systems are clear and distinct; the lack of providing answers and guidelines as to how

organisations should address complex situations; overestimating management's ability to control events, actions and change; and organisations are not natural systems, but contrived by humans (Kast & Rosenzweig 1972:455; Beeson & Davis 2000:181; Fioretti & Visser 2004:16).

The systems theory has also been criticised within the realm of communication science. Gunaratne (2008:175) argues that communication researchers seem confused about the systems theory and are unclear about its exact nature. Communication scholars Grunig and Grunig (2000:306) argue that the systems approach focusses on mere survival in an environment, which they regard as an "extremely weak goal" for organisational effectiveness. They criticise the system approach's failure to define the environment in exact terms. Another critique is that the general systems theory is essentially a passive model which suggests that systems are not innovative unless prompted by outside stimuli (Murphy 2009:123).

Gregory (2000:266-268) believes that public relations literature does not focus on the latest thinking of the systems theory and that closed, mechanistic systems thinking forces communication practitioners to be more technical and excludes them from the dominant coalition. Broom (2006:148-149) posits that public relations practitioners and researchers are guilty of strengthening the profession's inclination to work in a closed system because they often apply only concepts and models published in public relations literature. He argues that these concepts are regularly inadequately explained and that the public relations body of knowledge does not grow through this closed-systems approach.

Critics of the general systems theory are mostly in favour of the complexity theory which focusses on the study of developing order in what may be considered as very disorderly systems (Sherif 2006:73). They believe that entropy (or disorder) has replaced the era of equilibrium (or balance) (Amagoh 2008:6). Notably, Gunaratne (2008:175) ascribes the same characteristic to new systems thinking when he "examines the transition of the systems theory from the age of equilibrium to the age of entropy during the middle of the twentieth century, and then to the age of emergence at the end of the century". It therefore seems that what some theorists regard as the complexity theory, could simply be an advanced version of systems thinking.

Amagoh (2008:8-9) posits that an understanding of both the systems and the complexity theory will assist in understanding how subsystems in organisations interconnect and interact. He also argues that both theories form the foundation of two approaches to organisational change and that both are valuable in explaining how organisations cope with change.

Cognisance will be taken of the complexity theory, but it is argued that new systems thinking remains attractive for communication science practitioners and stakeholder relationship managers, since this approach holds that the purpose of communication science is to coordinate and integrate the various subsystems in and around the organisation, and to reduce environmental uncertainty in order for the organisation to grow (Trujillo & Toth 1987:208).

### **3.2.8 The relevance of the systems theory to stakeholder relationship management from a metamodern worldview**

Gunaratne (2008:188) believes that communication researchers should use the systems approach to complement their research approaches on a micro- and meso-level. The systems theory has indeed been the foundation of many communication science research, and has been one of the most-used theoretical approaches in the study of communication practice (Gregory 2000:266; Holtzhausen & Zerfass 2013:289).

Pearson (1990:220) agrees that the systems theory has become a recognised meta-theoretical departure point for public relations (and by implication stakeholder relationship management) and points out that the systems theory concept started to appear in the 1980s in the published works of important communication management scholars. Littlejohn (2002:37;52) concurs that the systems theory has been an immensely useful tool in the study of communication science, because it demonstrates how communication involves the interaction of complex sets of variables.

Since public relations and stakeholder relationship management are both concerned with relationships and therefore closely related, Broom's (2006:148-149) argument that the public relations body of knowledge does not grow through the closed-systems

approach, is supported and regarded as also relevant to the stakeholder relationship management body of knowledge. It therefore holds that the *adaptive open systems theory* should be used in studying communication-related phenomena. This model allows communication practitioners to not only function on a technical level, but also on a managerial and strategic level, participating in policy and decision-making (Gregory 2000:269) in the face of environmental disturbances and variety.

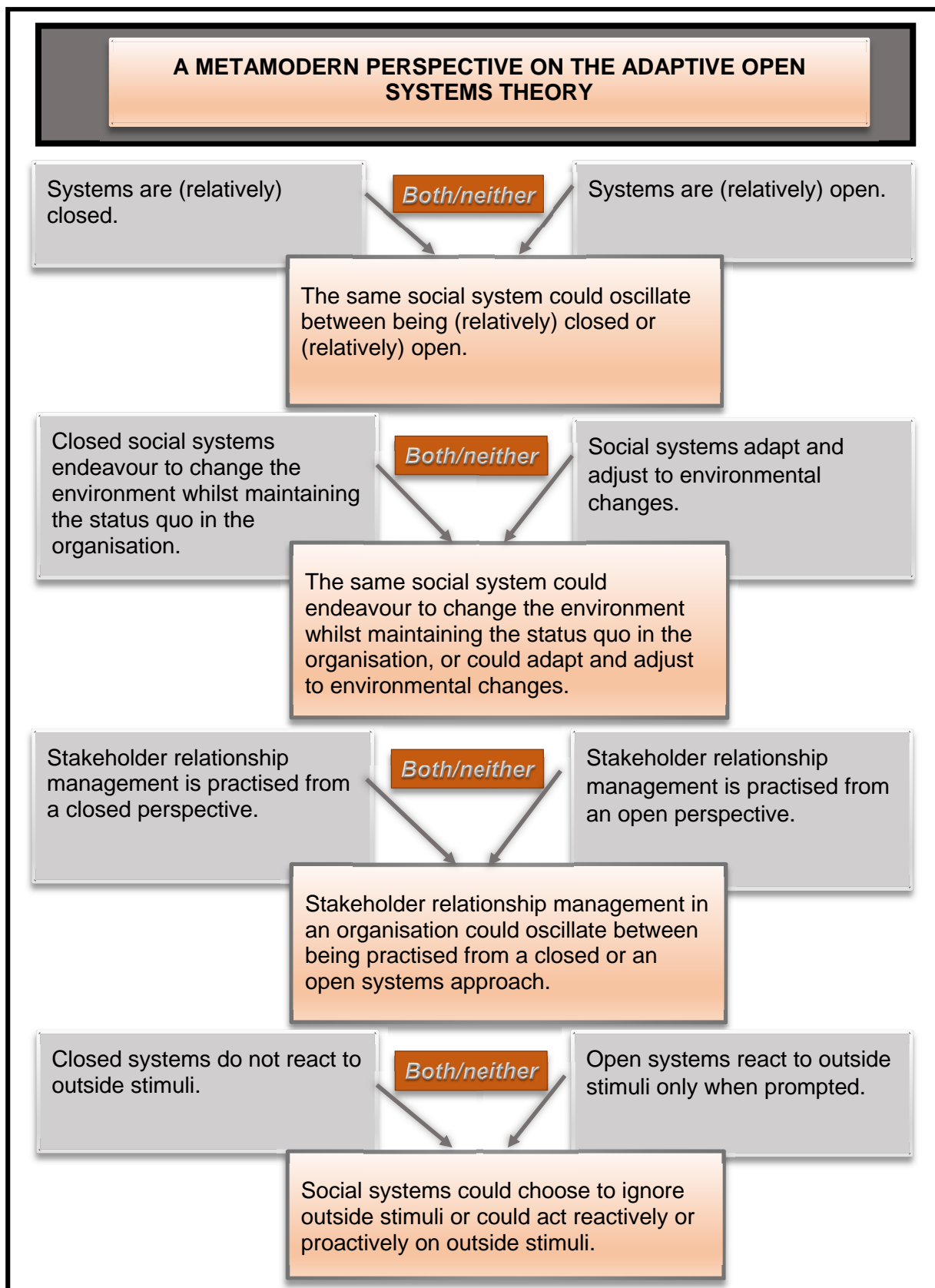
Furthermore, the adaptive open systems perspective maintains that a successful organisation is effectively managing relationships within and between its own internal subsystems (internal stakeholders), as well as relationships with its suprasystems (external stakeholders) (Dahnke & Clatterbuck 1990:162). According to Woodward (2000:256) this characteristic is particularly important in the communication science context, since the field of communication science has responded to a more demanding environment by emphasising relationship building and maintenance, rather than knowledge and persuasion. Montuori (2000:61;64) argues that the emphasis on the importance of feedback from a systems approach, implies *mutual exchange of influence* in systems thinking. According to him, it is an organisation's acknowledgement and response to feedback that enables it to adjust to environmental challenges. This argument makes the general systems theory particularly relevant to stakeholder relationship management with its strong focus on mutuality and influence.

Cutlip, Centre, Broom and Du Plessis (2002: 27-28) argue that public relations practised from a closed-systems perspective focusses on changing the environment, whilst maintaining the status quo in the organisation. However, from an open-systems perspective, it recognises the dynamics in the environment and adjusts to it, a view which holds true for stakeholder relationship management as well.

Organisations and stakeholders affect each other with their behaviour from a systems theory perspective (Hung 2009:444) which cannot be ignored in a study on stakeholder relationship management. This study will thus focus on the adaptive model of open-systems thinking advocated by Buckley as early as 1967, in which stakeholders are invited by organisations to engage and participate until there is a shared sense of meaning (Gregory 2000:273).

The focus will be from a metamodern perspective, where it will be accepted that social systems are not exclusively closed or open, but that the same social system could oscillate between being closed and open. This would also imply that this social system could sometimes try to change the environment, whilst maintaining the status quo in the organisation, or could adapt and adjust to environmental changes. Equally, stakeholder relationship management in an organisation could oscillate between being practised from a closed or an open-systems approach. This metamodern perspective is illustrated in Figure 3.1.





**Figure 3.1: A metamodern perspective on the adaptive open systems theory**

Source: Researcher's own construct.

### 3.2.9 Conclusion on the general systems theory

Von Bertalanffy (1951:311) who is regarded as the father of the general systems theory, was referring to biology and science when he stated that the more organismic view of the systems theory compared to a mechanistic worldview, “may lead to a vaster synthesis and a better adjustment to the problems with which we are confronted”. This statement arguably holds true today for all philosophical disciplines, including stakeholder relationship management. Von Bertalanffy (1951:304) admitted that the systems theory is not only “applicable to physical systems”, but to phenomena of any kind, which would include sociological units such as NPOs and the stakeholder relationships they have. Skyttner (1996:22) agrees that the general systems theory can also be used in behavioural scientific areas, and not only in biology.

The so-called “hard” versus “soft” view of the general systems theory (Rapoport 1975:33 - 51) fits comfortably within a metamodern worldview in which it would be acceptable for these seemingly opposing views of the same theory to oscillate between hard and soft, closed and open systems.

Ströh (2009:203-204) classifies the systems theory as modernistic as opposed to the postmodern approaches of the complexity and the chaos theory, which, according to her, “accentuate the concepts of interaction, relationship and self-regulation”. However, looking at the properties of the general systems theory as described in Table 3.2, these characteristics are implicit in the systems theory as well, and are described by terminology such as *interrelationships* (aligned with Ströh’s concepts of interaction and relationship), *regulation* and *goal-seeking* (aligned with Ströh’s concept of self-regulation).

The general systems theory survived the historical periods of both modernity and postmodernity and has equally been used and criticised by advocates of both modernism and postmodernism. The general systems theory will arguably also be relevant (and criticised) in the metamodernism era where both mechanistic and organismic (or organic), as well as closed and open systems will be recognised and acknowledged, where it will be accepted that the elements in a system could be oscillate between simple and stable or complex and changing, and that the

interrelations between them could be mutual or unidirectional, linear or non-linear (Buckley 1967:41) – a worldview supported by this research study. In line with the metamodern worldview adopted in the previous chapter, the author will remain conscious of the subjective choices made and will endeavour to apply systems thinking in a critical and self-reflecting manner as advocated by Jackson (1991:147).

Lin (2001:47) linked systems thinking and integrated communication (IC) conclusively when he stated that “systems thinking draws a blue print to tackle the main issues of IC and helps to build a systemic approach of IC”.

The next section will thus endeavour to illustrate the relevance of an integrated communication theoretical viewpoint for this study from a metamodern worldview.

### **3.3 INTEGRATED COMMUNICATION**

*IC is the griffin rising out of the ashes of IMC on wings of new discussion  
and a renewed focus on the collaboration of all communications  
functions in reaching all strategic stakeholders.*

Wightman (1999:19)

Stephen Feldman published an essay in 2005 with the title “The Problem of Critique: Triangulating Habermas, Derrida and Gadamer within Metamodernism”. In this work, Feldman (2005:296,315) states explicitly that metamodernism is a philosophical thought and declares conclusively that Habermas, Derrida and Gadamer are metamodernists. In perusing this article for a research study about the concept of metamodernism in literature, Dumitrescu (2014:192) came to a thought-provoking conclusion. She argued that Feldman implicitly made the claim that *integration* stands at the core of metamodernism when he explained that the disagreements between Habermas, Derrida and Gadamer do not make their worldviews incompatible - even though they may ask different questions with different aims in mind.

Dumitrescu’s observation is particularly promising for the NPO environment where NPOs and their stakeholders may have different objectives and not always agree, but

may have compatible worldviews which could be synchronised through the effective implementation of integrated communication.

### **3.3.1 Development of integrated communication**

Theorists agree that integrated communication (IC) evolved organically from integrated marketing communication (IMC) (Wightman 1999:18; Barker 2013a:10; Smith & Place 2013:170). IMC became the dominant marketing practice in the 1990s largely due to the fact that traditional marketing strategies and the use of mass communication methods became inadequate (Harris 1997:91). The development of technology gave consumers more choices, which made them increasingly discerning, indifferent and sophisticated in their purchasing decisions. Marketers had to find a more effective way of communicating with consumers and thus develop IMC – a marketing tactic that has relationship building as a focus, and not merely selling a product (Harris 1997:92).

At the same time, public relations started focussing on IC in order to cultivate sustainable relationships with key stakeholders (Gronstedt 1996:27; Hutton 1996a:191; Hutton 1996b:158; Scholes & Clutterbuck 1998:227-238; Christensen, Firat & Torp 2008:424), while the corporate communication discipline started accepting that it should provide an all-encompassing strategic communication service, including IC (Nessmann 1995:155; Argenti, Howell & Beck 2005:83-89; Christensen et al 2008:424). Acknowledging the debatable distinction above between public relations and corporate communication, the obvious link and overlap between the disciplines of marketing and communication are clear, and Christensen et al (2008:424) argue that both these disciplines “are promoting a vision of an organisation that is able to survey and monitor its own communication as one coherent entity”.

There are fundamental differences between IC and IMC despite the overlap. IC is regarded as a broader function than IMC, which by definition, focusses on the domain of consumer communication (Christensen et al 2008:424). The differences between the two functions are illustrated in Table 3.3.

**Table 3.3: The difference between IMC and IC**

| IMC  | IC  |
|--|---|
| <ul style="list-style-type: none"> <li>• Predominantly concerned with customers.</li> </ul>                                    | <ul style="list-style-type: none"> <li>• Focusses on all stakeholders and has a holistic approach.</li> </ul>               |
| <ul style="list-style-type: none"> <li>• The organisation is instrumental in integrating the communication process.</li> </ul> | <ul style="list-style-type: none"> <li>• Stakeholders are instrumental in integrating the communication process.</li> </ul> |
| <ul style="list-style-type: none"> <li>• Focusses on the sending of messages.</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Has a two-way communication approach.</li> </ul>                                   |
| <ul style="list-style-type: none"> <li>• Concentrates on external messages.</li> </ul>   | <ul style="list-style-type: none"> <li>• Ensures the integration of internal and external messages.</li> </ul>              |
| <ul style="list-style-type: none"> <li>• Marketing and communication departments drive the content of messages.</li> </ul>     | <ul style="list-style-type: none"> <li>• Strategic objectives of the organisation drive the messages.</li> </ul>            |
| <ul style="list-style-type: none"> <li>• Is mostly concerned with technical aspects.</li> </ul>                                | <ul style="list-style-type: none"> <li>• Contributes to the strategic thinking process of the organisation.</li> </ul>      |
| <ul style="list-style-type: none"> <li>• Favours an inside-out approach to communication.</li> </ul>                           | <ul style="list-style-type: none"> <li>• Uses an outside-approach to designing communication messages.</li> </ul>           |
| <ul style="list-style-type: none"> <li>• Driven by a one-look-one-feel focus.</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Focusses on consistent messages.</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Focusses on marketing strategies.</li> </ul>  | <ul style="list-style-type: none"> <li>• Focus on organisational and corporate strategies.</li> </ul>                       |
| <ul style="list-style-type: none"> <li>• Ensures brand consistence.</li> </ul>   | <ul style="list-style-type: none"> <li>• Presents the organisation as a coherent entity.</li> </ul>                         |
| <ul style="list-style-type: none"> <li>• One voice.</li> </ul>   | <ul style="list-style-type: none"> <li>• One persona.</li> </ul>  |

Source: Researcher's own construct conceptualised from Wightman (1999:19); Niemann (2005:27); Kerr, Schultz, Patti and Kim (2008:513); Swart (2010:58); Johansen and Anderson( 2012:277); Barker (2013a:113).

It is important, however, to note that abovementioned differences are illustrative of most people's basic understanding of IMC versus IC, but that the distinction between IMC and IC is blurring. Where Kerr et al (2008:511) refer to IMC's *inside-out* approach as the traditional teaching practise in marketing communication, Barker (2013b:188) for example, lists the *outside-in* approach as a feature which distinguishes current IMC from its previous applications.

Marketing scholars started to recognise the potential value of public relations during the 1980s (Hallahan 2009:300), and IMC theorists began advocating for IMC to incorporate stakeholders other than consumers (Webster 1992:12; Hallahan

2009:309; Angelopulo 2013:40; Barker 2013a:104; Barker 2013b:185). Both disciplines started moving towards a focus on the synergy of messages, which means implementing integration strategies such as consistency (of which one-voice communication is the simplest method of synergy), interactivity and positioning the organisation's mission when communicating to stakeholders (Moriarty 1994:40-41).

A number of terminologies emerged as a result of the increasing support to merge all communication functions under one umbrella: integrated marketing communications (IMC); integrated advertising and public relations (IAPR); marketing public relations (MPR); integrated communications (IC); strategic integrated communication (SIC); and communication integration (CI) (Miller & Rose 1994:13; Harris 1997:93; Angelopulo 2013:40; Barker 2013a:115).

Cognisance will be taken of the fact that the disciplines of IC and IMC have largely been integrated to the point where theorists (Ewing 2009:103; Einwiller & Boenigk 2012:336) enclose marketing in brackets and use the term integrated (marketing) communication to describe perspectives drawn from both IC and IMC. Wightman (1999:19) believes that the term IMC did not simply change to IC, but that the name change came about because of a real focus on the stakeholder as the true integrator of communication. He does not believe that IMC is dead, but rather that it has been "reborn as integrated communications".

Concurring with Smith's (2010:56) view that the term IMC fails to incorporate public relations activities and may therefore be too narrow to fully describe integrated communication, this study will use the term integrated communication (IC), recognising the dual roles of both marketing and corporate communication in the integration of communication. It will be discussed from a communication science perspective and not from a marketing perspective, since most NPOs do not engage in traditional marketing strategies to position themselves, but rather rely on communication science disciplines such as public relations and stakeholder relationship management.

### 3.3.2 Defining integrated communication

The literature is rich in definitions of both IC and IMC and many scholars have adapted IMC definitions to be more in line with IC objectives, such as including a stakeholder perspective and not only a customer focus (Niemann 2005:30; Angelopulo 2013:41; Barker 2013a:17). Hallahn (2009:309) is of the opinion that there is no single accepted definition of IC or IMC, but rather a number of useful models of integrated communication.

Quoting just a few definitions from current literature texts, illustrates the variety in thought about the understanding of IC and IMC:

...the concept and process of strategically managing audience-focused, channel-centred, and results-driven brand communication programmes over time (Kliatchko 2005:23).

...the strategic management process of organisationally controlling or influencing all messages and encouraging purposeful, data-driven dialogue to create and nourish long-term profitable relationships with stakeholders (Niemann 2005:30).

...the notion and the practice of aligning symbols, messages, procedures and behaviours in order for an organisation to communicate with clarity, consistency and continuity within and across formal organisational boundaries (Christensen et al 2008:424).

...the process by which an organisation's communications coordinate or are coordinated to achieve business objectives and build or improve relationships with organisational stakeholders (Smith 2010:54).

...the cross-functional process of creating and nourishing strategically determined relationships with stakeholders by ensuring that the messages to these groups are as appropriate and beneficial to the business relationships as possible, and engaging in purposeful dialogue with them (Angelopulo 2013:41).

Considering the definitions above and as was argued in Chapter 1, the use of the terminology *profitable*, as seen in Niemann's definition, implies a relationship with stakeholders that is primarily in the interest of the organisation. Barker's (2013a:104) argument that strategically integrated communication is imperative in the building of *sustainable* (as opposed to profitable) stakeholder relationships, is more relevant to this study as it links to the adaptive model of open-systems thinking which endeavours

to reach a shared sense of meaning between organisations and stakeholders, thus contributing to a sustainable relationship.

Despite the variations, it becomes clear that the current understanding of IC has two objectives in common: communication must be integrated in a cross-functional manner and across formal organisational boundaries, and effective integrated communication must lead to long-term relationships with stakeholders which are beneficial to both the organisation and its stakeholders. These objectives of IC will be regarded as pertinent to the application of the concept of integrated communication within the discipline of stakeholder relationship management.

The practicality of successfully implementing integrated communication in organisations has been questioned by scholars and warrants some elaboration.

### **3.3.3 Practicality of integrated communication**

Theorists express criticism against integrated communication in terms of reservations, concerns, limitations and discomfort, rather than critique per se.

For example, Cornelissen and Lock (2000:7-8) voice the reservation that IC may only be a management fashion, since it lacks a clear theoretical concept. They argue that the theoretical concept of IC is vague, which has led to scholars defining and interpreting it in various ways. Schultz and Kitchen (2000:17-18) were quick to respond. They agreed that IC is not clearly defined and not yet a theory, but argued that it is in a “pre-paradigm stage of development and thus not bound by an accepted definition”.

Kliatchko (2005:12-13) concurs with Cornelissen and Lock’s suggestion that IC may be a management function and lists several other points of disagreement about the concept of IMC, namely: “disagreements on definitional issues and scope of IMC; difficulties arising from the view that IMC is both a concept and a process; debate over measurement methods used in evaluating IMC programmes; controversy over turf battles and on who leads the integration process; conflicts on agency-client relationships, organisational structures and compensation issues”.



Another concern amongst scholars is the limited research confirming the role and value of IC in enhancing organisational performance (Low 2000:27; Einwiller & Boenigk 2012:357; Barker 2013a:103). Ewing (2009:104) argues that the failure to illustrate the potential value of IC to business leaders and communication practitioners, has been the biggest obstacle in the acceptance of the concept and that theorists are consequently quick to point out the limitations and their reservations about IC.

Smith (2013:78) questions the idea that IC should be a centralised and controlled function in an organisation and argues that it should rather be seen as an “organic phenomenon that occurs through negotiated meaning and interaction”. Angelopulo (2013:51-53) concurs and discusses five limitations of IC. Firstly, he argues that “total control of communication is illusory”, since it is not possible for an organisation to control or to understand all the factors that determine its relationship with its stakeholders. The second limitation is the fact that the perception of an organisation’s communication is ultimately integrated in the minds of its stakeholders and will rarely be integrated exactly as meant by the organisation. Thirdly, many organisations remain silent when stakeholders actually require information, and silence sends a message in itself which could impact negatively on an organisation’s reputation. The fourth limitation is the fact that seemingly effective short-term communication campaigns (often originating from marketing strategies) might have a detrimental effect on long-term communication objectives if they were not aligned with the organisation’s vision and values. Fifthly, focussing only on planned communication, ignores the fact that a number of unplanned messages also reach stakeholders which could negate efforts to integrate communication across all functions in the organisation. Taking note of these arguments and considering the proliferation of current definitions for IC that exist, this debate arguably still holds true today.

From the preceding discussion it is clear that there is no uniform definition or understanding of the scope and concept (or process) of IC (or IMC). However, it is also clear that IC as an approach to business, marketing and corporate communication strategies has become increasingly important and a permanent trend among academics and practitioners (Kliatchko 2005:7).

Although the notion of IC is supported by public relations practitioners, its prevalence in the discipline of stakeholder relationship management has not been acknowledged.

### **3.3.4 The relevance of integrated communication to stakeholder relationship management from a metamodern worldview**

The concept of IC has largely been ignored by the discipline of stakeholder relationship management. The term *communication* appears frequently in literature on the stakeholder theory and is combined with concepts such as openness and transparency. *Integration* equally features with respect to business ethics, social issues and other theories (which will be discussed in more detail in Chapter 5), but *integrated communication* does not seem to feature in discussions on stakeholder relationship management practices. In fact, a word- and phrase-search for *integrated communication* in the electronic version of Freeman et al's (2010) most recent publication on stakeholder theory, revealed not a single reference to *integrated communication*. De Bussy (2013:86) concurs when he states that public relations practitioners searching for references to their discipline in the stakeholder theory "will be sorely disappointed". Although there is evidence that senior managers are in favour of integrated communication, many interpret it from the perspective of moral leadership, ethics and social responsibility, and not communication per se (Scholes & Clutterbuck 1998:229).

The stance from a communication science perspective is however the opposite, and the communication literature on IC is filled with references to stakeholders and stakeholder relationships. Few communication practitioners dispute the value of IC in building relationships, despite their relative discomfort and reservations about the concept. From the preceding definitions and discussion it is clear that IC theorists have embraced the concept of stakeholder relationship management and regard IC as imperative in building stakeholder relationships.

Since it has been proposed that the communication science discipline of public relations is the same as stakeholder relations (Wu 2007:415), the following discussion will focus on IC in public relations, deeming the information to be relevant to both public relations and stakeholder relationship management.

Theorists have debated the relationship between marketing and public relations and consequently IMC versus IC for years. Public relations practitioners have voiced a fear of a situation where marketing dominates public relations or when the two disciplines are combined (Grunig & Grunig 1998:147), possibilities which Lauzen (1991:245) refers to as “marketing imperialism” or the “encroachment” on public relations territory. The debate continues, but both marketing and communication practitioners are in agreement about the value of integrated communication in establishing relationships.

Luoma-Aho and Palovitta (2010:49) state that “stakeholder relationships is at the heart of corporate communications” and Grunig (2006:158) agrees that public relations as a strategic management function uses *communication* to cultivate relationships with stakeholders. Combining this argument with Caywood’s (1997:xi) view that the role of public relations is building relationships or *integrating* relationships between an organisation and its stakeholders, it stands to reason that the *integration of communication* is centre to effective public relations and stakeholder relationship management.

As with most theories and concepts, scholars seem to have either a modernism or postmodernism worldview of the application of IC. From a functional, modernism perspective, IC focusses on strategic messages which are planned across all media types in a coordinated effort (Kitchen, Schultz, Kim, Han & Li 2004:1419; Hall & Wickham 2008:193-194; Smith 2013:66). This approach claims that coordinated marketing messages and media usage will have a greater impact than separate marketing, advertising and public relations activities (Kliatchko 2008:139). A functionalist approach to IC would see an organisation as a linear system in which planned activities result in desired outcomes, thus emphasising, in typical modernism fashion, concepts such as planning, prediction and control (Ströh 2009:201-210; Smith 2013:66).

Smith (2013:66), however, argues that internal factors influencing integration are not considered in this structured process and suggests that a postmodern worldview of IC may be more suitable. Postmodernists do not see connected actions and reactions in systems, but rather regard the world as filled with complex relationships and uncontrolled interactions (Murphy 2009:130). They argue that postmodern public

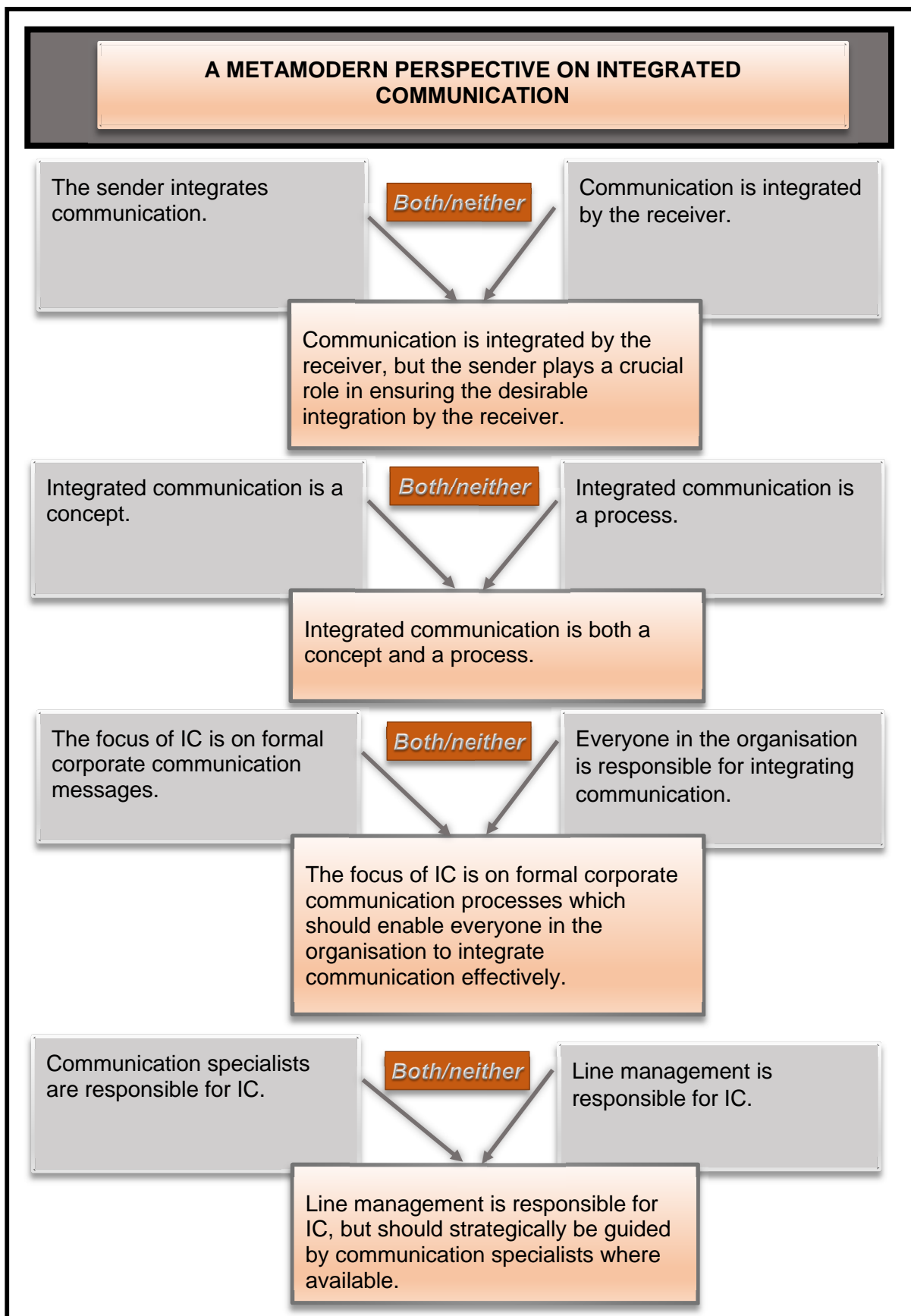
relations practitioners and arguably stakeholder relationship managers, should serve as activists and be the “conscience and change agents of the organisation” (Holtzhausen 2000:105). Ströh (2009:215) concurs when she posits that corporate communication managers (which would include stakeholder relationship managers) should be less concerned with strategic planning and management and focus more on building relationships with stakeholders by facilitating participation. Postmodern scholars agree that concepts such as uncertainty, competition, contradiction, dissensus, flexibility and unpredictability are fundamental to postmodern communication (Holtzhausen 2009:365; Hung 2009:470; Ströh 2009:212).

From a postmodern perspective, it is thus suggested that IC models and frameworks should be flexible and that practitioners must accept that it is not possible to plan or control the process of integration (Christensen, Firat & Cornelissen 2009:216). Postmodernists argue that a modernism, centralised approach to IC does not have a place in the complex and often chaotic postmodern workplace of today and may result in, what Leitch (1999:7) refers to as a “resource-hungry monster”.

Dumitrescu’s (2014:192) link between metamodernism and integration as discussed earlier, was not in the context of communication and IC, as a concept, does not seem to feature in the limited literature available on metamodernism. It is posited, however, that IC could successfully be implemented from a metamodern worldview where it would be acceptable for modernism and postmodernism viewpoints to co-exist in an IC strategy. From this perspective, an organisation would manage and be in control (modernism) of the IC process in the sense that it would take responsibility for producing an IC strategy and enabling all in the organisation to implement it effectively. However, from a postmodern perspective, the same organisation would accept that it operates in a complex world in which stakeholders cannot be controlled and that communication is largely integrated from the receiver’s perspective. A focus on the shared understanding of organisational values (Christensen et al 2009:214) to facilitate effective IC, would receive as much attention as accomplishing correct mechanistic processes.

IC from a metamodern perspective would thus be planned, but in a flexible manner, allowing for some level of chaos, spontaneity and creativity. This approach resonates

with Christensen et al's (2008:435) concept of flexible integration where the value of differentiation and variety is recognised, and in which organisations are sensitive and responsive to environmental complexity. This view of IC fits comfortably into a metamodern perspective as illustrated in Figure 3.2.



**Figure 3.2: A metamodel perspective on integrated communication**

Source: Researcher's own construct.

### 3.3.5 Conclusion on integrated communication

Twenty years ago, Stewart (1996:150) suggested that IC has a better chance of succeeding if it is carried out by a line manager, rather than a communication specialist. This stance is particularly important in the context of the NPO environment, since, as previously indicated, several studies have found that few NPOs in South Africa employ full-time communication specialists.

Acknowledging that the clear distinction between IMC and IC has become as blurred as the distinction between modernism and postmodernism, this study will focus on IC from a metamodern perspective. This would imply that in the NPO environment in South Africa, with its lack of professional communication practitioners, IC will be an organised and planned strategy to some extent, but will arguably be executed by line managers in a flexible and creative manner.

Although some theorists argue that there is not enough substantial evidence to support the excellence theory's tenet that public relations should be situated in an integrated unit for the function to be excellent (Hallahan 2009:299), integration remains a key consideration in the excellence theory (Hallahan 2009:308). The next section will therefore explore the relevance of the excellence theory to this study, with particular reference to the mixed-motive model of two-way communication.

## 3.4 THE EXCELLENCE THEORY

*I believe that studying under and working with Drs Jim and Lauri Grunig and learning the excellence theory have taught me to be a true public relations professional, and I hope to pass on the excellence theory and move the field of public relations forward.*

(Hon 2009:20 – A comment made by a PR professional in a research study amongst PR practitioners to investigate their experiences and perceptions in relation to the excellence theory)

The excellence theory, which originated in 1985, is important for this research study since this landmark study did not focus on stock exchange-listed companies only, but

also on government agencies, associations and non-profit organisations (Bowen 2005a:307).

The excellence study researched the specific discipline of public relations and consequently used the term *public relations* in reporting on the results. In the interest of simplicity, this discussion of the excellence theory will therefore refer to public relations, but with the assumption that it is equivalent to the discipline of communication management.

The excellence theory supports a number of suppositions that are relevant to this study. It illustrates firstly, that the relationships communicators develop with stakeholders contribute to the value of communication management in an organisation; secondly, that solid stakeholder relationships will strengthen an organisation's reputation; and thirdly, that an organisation's behaviour plays a more important role than the dissemination of organisational messages in the quality of its stakeholder relationships and reputation (Grunig et al 2002:xi).

The excellence theory also acknowledges the importance of alignment between organisational goals and stakeholder expectations. Grunig et al (2002:10) maintain that an organisation will attain its goals if the communication management function adheres to the excellence theory criteria, since it will lead to the alignment between an organisation's goals and the expectations of its strategic stakeholders. It determines that communication management will improve the operation of an organisation if it upholds two-way symmetrical communication with its stakeholders (Bowen 2005b:840).

More than 30 years after its origination, the excellence theory is still applied, discussed, critiqued and enhanced through continuous research. The purpose of this section is thus not to discuss the characteristics in detail or to debate the value of the excellence theory to communication science, but rather to illustrate how the advancement of certain principles of the excellence theory is relevant to stakeholder relationship management.



### **3.4.1 Characteristics and the development of the excellence theory**

The excellence theory has become the founding theory for many research ventures in the communication management field (Grunig et al 2002:xi) and has provided a set of theoretical benchmarks which scholars have used over the years to investigate public relations phenomena (Toth 2009:xvii). The excellence theory has not been without shortcomings and scholars have continuously researched and advanced the principles originally set out in the excellence theory report.

The characteristics of excellent public relations programmes are described on three levels, namely programme, departmental and organisational levels and it endeavours to demonstrate the effect of excellent public relations programmes on those levels as illustrated in Table 3.4:

**Table 3.4: Characteristics of excellent public relations programmes**

| <b>CHARACTERISTICS OF EXCELLENT PUBLIC RELATIONS PROGRAMMES</b> |  |
|---|--|
| Programme level   | <ul style="list-style-type: none"> <li>• Managed strategically</li> </ul>  |
| Departmental level  | <ul style="list-style-type: none"> <li>• A single or integrated public relations department.</li> <li>• Separate function from marketing.</li> <li>• Direct reporting relationship to senior management.</li> <li>• Two-way symmetrical model.</li> <li>• Senior public relations person in managerial role.</li> <li>• Potential for excellent public relations as indicated by: <ul style="list-style-type: none"> <li>◦ Knowledge of symmetrical model</li> <li>◦ Knowledge of managerial role</li> <li>◦ Academic training in public relations</li> <li>◦ Professionalism</li> </ul> </li> <li>• Equal opportunity for men and women in public relations.</li> </ul> |
| Organisational level  | <ul style="list-style-type: none"> <li>• Worldview for public relations in the organisation reflects the two-way-symmetrical model.</li> <li>• Public relations director has power in or with the dominant coalition.</li> <li>• Participative, rather than authoritarian organisational structure.</li> <li>• Turbulent, complex environment with pressure from activist groups.</li> </ul>   |

| • EFFECTS OF EXCELLENT PUBLIC RELATIONS  |
|--|
| <ul style="list-style-type: none"><li>• Programmes meet communication objectives.</li><li>• Reduces the cost of regulation, pressure and litigation.</li><li>• Job satisfaction is high among employees.</li></ul> |

Source: Grunig et al (2002:9).

In 2009, Toth published a work with the title *The Future of Excellence in Public Relations and Communication Management. Challenges for the Next Generation*, in which numerous theorists illustrate how the excellence theory has advanced and evolved over the years. Concepts such as collaborative advocacy, mediation, ethics, activism, culture and relationship management are discussed within the context of the excellence theory – indicating that what was originally perceived as a modernistic theory, has evolved to something more postmodern, and more importantly, to a theory that is comfortably oscillating between modernism and postmodernism.

JE Grunig (2013:1), the co-founder of the excellence theory together with LA Grunig, agrees that communication science scholars have continued to research and improve the theoretical structure of the excellence theory, which he refers to as “furnishing the edifice”. He disagrees with the views of postmodern scholars such as Holtzhausen and Voto (2002:59) that this theory is predominantly modernistic and argues that it does not try to explain everything in public relations, but should rather be seen as a “comprehensive way of thinking that can be used to solve many positive and normative public relations problems” (Grunig 2013:3).

### 3.4.2 Criticism against the excellence theory

A review of the literature reveals that there is seemingly no disagreement about the value of two-way communication, but that criticism of the two-way symmetrical communication model is mainly centred on the concept of *symmetry*. Hence the symmetrical model and two-way communication as proposed by the excellence theory have been criticised as idealistic, too accommodating if it focusses solely on the publics’ interest and unusable in practice (Nessmann 1995:158, Pieczka 1996:126).

Scholars argue that there is no global definition of symmetry and that the concept of symmetry is based on American propositions (Bardhan 2003:226; Holtzhausen, Petersen & Tindall 2003:308), and therefore not relevant in countries such as India or South Africa. They also claim that symmetrical communication between organisations and stakeholders is unrealistic because of power imbalances (Nessmann 1995:158; Pieczka 1996:126; Motion & Weaver 2005:65). Leichty and Springston (1993:334) criticise normative models as metanarratives and express the hope that normative public relations models such as the symmetrical two-way communication model would rather be turned into what they refer to as “situational/developmental ones” in which the dynamic organisational environment is recognised and accommodated.

Research, however, indicates that not only is the so-called normative model of two-way communication practised by public relations officers in the USA (Hon 2009:13), but that the two-way symmetrical communication model is practised by investor relations officers in the USA (Kelly, Laskin & Rosenstein 2010:190), thus disproving critical scholars' view that the model is too idealistic and not usable in practice to some extent.

A concern for organisations which do not have the services of formal communication departments or professional communication practitioners at their disposal is conspicuously absent in the literature critical of the excellence theory. As mentioned before, this is a situation typical of NPOs in South Africa, for whom the communication function is mostly the joint responsibility of senior non-communication employees (Wiggill 2009:187; Holtzhausen 2014:291).

From a purely modernistic approach, most of the tenets of the excellence theory as described in Table 3.4, thus become obsolete in the NPO environment in South Africa. Considering the content of this table, a pure modernist could therefore argue in favour of the absolute truth and metanarrative that an organisation without a formal public relations department or professional public relations practitioner, could never have excellent public relations programmes.

From a postmodern perspective, however, the worldview has moved from a mechanistic to a more organic view of management and science in which

postmodernism is regarded as a reaction to the shortcomings of modernism, and in which organisations should question what they believe as untouchable (Ströh 2009:204). When this worldview is applied to the excellence theory, it is posited that excellent public relations could be practised by organisations without formal public relations departments or professional public relations practitioners, provided they respect the principles of the excellence theory. This possibility has a profound implication for stakeholder relationship management for NPOs in South Africa, since they seemingly communicate and build relationships with stakeholders without the services of formal public relations departments or professional public relations practitioners.

Following the argument above, the characteristics of excellence public relations programmes in organisations without formal public relations departments or professional public relations practitioners could therefore arguably be construed as the following:

**Table 3.5: Comparison of the characteristics of excellent public relations programmes in organisations with and without formal public relations departments**

| <b>LEVEL</b>       | <b>PUBLIC RELATIONS EXECUTED BY PR PROFESSIONALS</b>   | <b>PUBLIC RELATIONS EXECUTED BY SENIOR MANAGEMENT</b>   |
|--------------------|--|---|
| Programme level    | <ul style="list-style-type: none"> <li>• Managed strategically.</li> </ul>   | <ul style="list-style-type: none"> <li>• Managed strategically by top management.</li> </ul>  |
| Departmental level | <ul style="list-style-type: none"> <li>• A single or integrated public relations department.</li> <li>• Separate function from marketing.</li> <li>• Direct reporting relationship to senior management.</li> <li>• Two-way symmetrical model.</li> <li>• Senior public relations person in managerial role.</li> <li>• Potential for excellent public relations as indicated by: <ul style="list-style-type: none"> <li>◦ Knowledge of symmetrical model</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Senior management delegates the function to a senior departmental head.</li> <li>• Two-way symmetrical worldview.</li> <li>• Senior person in a managerial role assumes public relations role.</li> <li>• Management responsible for the public relations function will obtain a basic knowledge of the function.</li> </ul> |

**CHAPTER 3: CONTEXTUALISING THE RELEVANT COMMUNICATION THEORIES FROM A  
METAMODERN PERSPECTIVE**

|  |  |  |
|--|--|--|
|  | <ul style="list-style-type: none"> <li>○ Knowledge of managerial role</li> <li>○ Academic training in public relations</li> <li>○ Professionalism</li> <li>• Equal opportunity for men and women in public relations.</li> </ul>   |  |
| Organisational level                         | <ul style="list-style-type: none"> <li>• Worldview for public relations reflects the two-way symmetrical model.</li> <li>• Public relations director has power in or with the dominant coalition.</li> <li>• Participative, rather than authoritarian organisational structure.</li> <li>• Turbulent, complex environment with pressure from activist groups.</li> </ul> | <ul style="list-style-type: none"> <li>• Worldview for public relations reflects the two-way symmetrical model.</li> <li>• Senior manager responsible for public relations has power in or with the dominant coalition.</li> <li>• Participative, rather than authoritarian organisational structure.</li> <li>• Turbulent, complex environment with pressure from activist groups.</li> </ul> |
| <b>EFFECTS OF EXCELLENT PUBLIC RELATIONS</b> |  |  |
|  | <ul style="list-style-type: none"> <li>• Programmes meet communication objectives.</li> <li>• Reduces the cost of regulation, pressure and litigation.</li> <li>• Job satisfaction is high among employees.</li> </ul>   | <ul style="list-style-type: none"> <li>• Programmes meet organisational goals objectives.</li> <li>• Reduces the cost of regulation, pressure and litigation.</li> <li>• Job satisfaction is high among employees.</li> </ul>  |

Source: Researcher's own construct conceptualised from Grunig et al (2002:9).

Considering the argument as illustrated in Table 3.5, the principles of the excellent theory become not only relevant, but imperative for NPO stakeholder relationship programmes which, in South Africa, are mostly executed without the services of formal public relations departments or professional public relations practitioners and should therefore, ideally, become the responsibility of senior management.

The principle of two-way symmetrical communication, or at the very least, a symmetrical communication worldview, is intrinsic to the excellence theory and is arguably the tenet most relevant to stakeholder relationship management. It is also the excellence principle that has been the most debated and criticised, resulting in,

what Grunig (2001:25) refers to as, “a new model of excellent two-way public relations”, namely the mixed-motive model.

### 3.4.3 The mixed-motive model of two-way communication

Grunig and Hunt developed four models of public relations in 1984 namely, the press agency (or publicity), public information, two-way asymmetrical and two-way symmetrical models (Grunig 2006:156). The excellence study advanced the two-way symmetrical model to a *normative* model, because it found that implementing this model will contribute to the achievement of organisational goals and should become the norm for how effective and socially responsible public relations *should* be practised (Kelly et al 2010:190).

The excellence study, which led to the excellence theory, showed that excellent public relations departments do not necessarily exclude the press agency and public information models, but that they typically practise two-way symmetrical communication (Grunig 2001:24). It illustrated that public relations adds value to the achievement of organisational goals when it supports symmetrical communication in an effort to build and nurture stakeholder relationships (Grunig 2006:158). The original public relations models of asymmetrical two-way communication and symmetrical two-way communication went through adaptations, confirming the evolution of the excellence theory.

A common understanding of the terminologies symmetrical and asymmetrical is necessary in order to understand the mixed-motive model of two-way communication as one of the developments of the excellence theory. Stacks and Watson (2009:67-68) explain that a symmetrical model of communication implies a balanced flow of communication between all parties. In such a situation, participants in the communication process are seen as equals and sustain their relationship “based on mutual understanding and needs” (Stacks & Watson 2009:67). In the asymmetrical model the power is tipped in favour of one of the parties, and specific roles and power relationships are specified. Stacks and Watson (2009:68) posit that two-way communication remains essential in both models for successful results.

In the early 1990s, the two-way asymmetrical and two-way symmetrical models were seen at opposite ends of a communication continuum and theorists expressed a discomfort about asymmetrical versus symmetrical communication, claiming that it is difficult to determine the optimum point on the continuum between the two for appropriate behaviour (Plowman 2009:87). Murphy (1991:115-131) suggests that a mixed version of both asymmetrical and symmetrical communication might resolve this problem and titles it the mixed-motive model. Borrowing from the games theory, Murphy (1991:116) explains that “social relationships can be modelled as games of strategy”, but that these strategies are never considered in isolation. These strategies are interdependent and the best strategy would depend on the course of action taken by each participant, which means that mutual adaptation lies at the core of the game theory (Murphy 1991:116-117). Murphy believes this interdependence of participants’ interests resonates with public relations’ ability to be reflexive and adjust behaviour according to other participants’ behaviour. She equates zero-sum games (pure conflict where one participant loses and another wins) to asymmetrical communication, and pure cooperation games to symmetrical communication (Murphy 1991:120). Pure cooperation real-life games are hard to find, as is the case with true symmetrical communication and Murphy (1991:125) explains that game theorists picture a continuum with pure conflict on one side and pure cooperation on the other. They argue that behavioural situations are rather played out in the middle of the continuum, the so-called mixed-motive game where equilibrium is sought (Murphy 1991:125). Murphy is of the opinion that public relations situations are similar and are located on a continuum of asymmetrical versus symmetrical communication.

It should be noted that Murphy (1991:116) argued that communication scholars regard the mediation of conflict as the core task of public relations, which is a very narrow view of public relations if compared to current definitions of the function.

The Public Relations Institute of South Africa (PRISA) defines public relations as “the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders” (PRISA 2016). The Public Relations Society of America (PRSA) defines public relations as “a strategic communication process that builds mutually beneficial relationships between organisations and their publics”, and explains that it is a process, rather than a top-

down management function which ultimately has mutually beneficial relationships at heart (PRSA 2016). These definitions are much broader than the mediation of conflict as suggested by Murphy, but do contain elements of Murphy's argument in that mediation is always a process that needs to consider the perceptions of stakeholders and, if done successfully, this would lead to mutually beneficial relationships.

Translated into stakeholder relationship management terms, it thus becomes clear that Murphy's reasoning can also be applied to the management of stakeholder relationships where it is imperative to be flexible, anticipate and understand the potential actions of stakeholders and adapt accordingly – a process that will lead to mutually beneficial relationships.

Taking cognisance of the asymmetrical/symmetrical debate and the work of a scholar such as Murphy (1991), Dozier, Grunig and Grunig developed a new model of looking at two-way public relations in 1995, namely the mixed-motive model of two-way communication (Grunig 2001:25). They declared that utilising the mixed-motive game theory to describe the symmetrical public relations model, resolves the criticism against the symmetrical model as favouring the interest of stakeholders above those of the organisation.

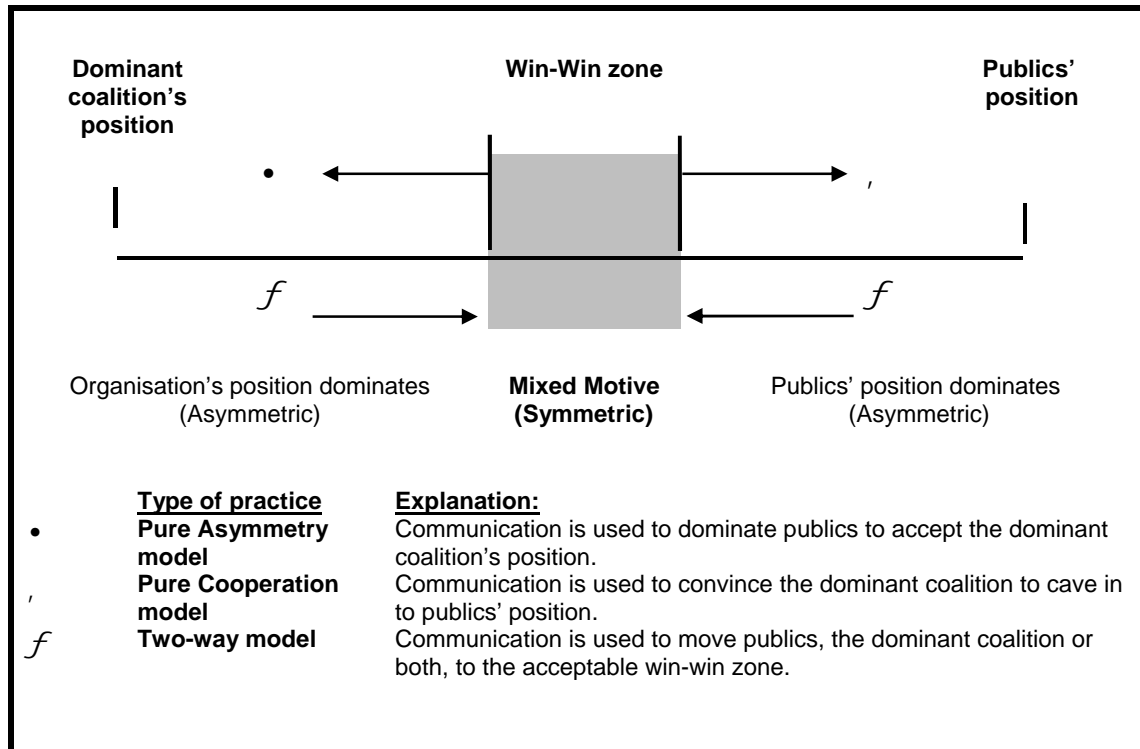
In justifying the mixed-motive model of two-way communication, Grunig (2001:13) explains that persuasion is still relevant in symmetrical communication, but not, as some critiques maintain, in the interest of the organisation only, since it is the task of communication practitioners to persuade external stakeholders as well as the organisation. He is also adamant that he never equated symmetry to accommodation, and argues that symmetrical communication towards total accommodation of stakeholders' interests would once again become asymmetrical. He summarises his view by concluding that symmetry in public relations is "about balancing the interests of organisations and publics, of balancing advocacy and accommodation" (Grunig 2001:16).

The mixed-motive model of two-way communication was thus developed with the premise that a symmetrical communication view will lead to a win-win situation for both the organisation and its stakeholders. In the mixed-motive model, symmetric



communication is moved to the middle of the continuum and this model illustrates that communication on either side of the spectrum remains asymmetrical.

The mixed-motive model of two-way communication is graphically illustrated in Figure 3.3.



**Figure 3.3: The mixed-motive model of two-way communication**

Source: Grunig (2001:26).

Figure 3.3 illustrates that the asymmetrical position on the left will only have the organisation's interests at heart, while the asymmetrical position on the right will only be concerned with the publics' positions. Grunig (2001:26) concurs with Murphy's view that practising pure two-way asymmetrical communication would result in a zero-sum or win-lose game in which either the organisation (referred to as the dominant coalition in Figure 3.3 and illustrated by arrow 1) or stakeholders (referred to as publics in Figure 3.3 and illustrated by arrow 2) emerge as the victor.

In the win-win zone in the middle (illustrated by arrow 3) the communicator engages with both the dominant coalition and publics in order to reach an outcome in the interest of both parties (Grunig 2001:26).

Grunig (2001:26-27) believes the mixed-motive model of two-way communication to be a perfect combination of both a positive and normative theory, compared to the previously normative theory of two-way communication. He argues that descriptively (positive), this model illustrates what is happening in practice as public relations practitioners balance the interests of both the organisation and stakeholders while normatively, it specifies the best public relations practice for organisations in order to reach a win-win situation whilst building relationships with stakeholders.

The mixed-motive model thus expands the symmetrical model to broader terms and recognises the role of asymmetric communication in the public relations process. Grunig (2001:26) admits that asymmetrical communication may even sometimes be the best tactic to achieve the best position for an organisation. Holtzhausen (2000:106) echoes this when she argues for the acceptance of “dissensus in symmetry”. However, since this tactic will be supported by a symmetrical worldview in line with the described model, it will still respect the integrity of long-term relationships. According to Plowman (2009:87) recent research indicates this public relations model as the one most practised by communication scholars.

#### **3.4.4 The relevance of the excellence theory to NPO stakeholder relationship management from a metamodern worldview**

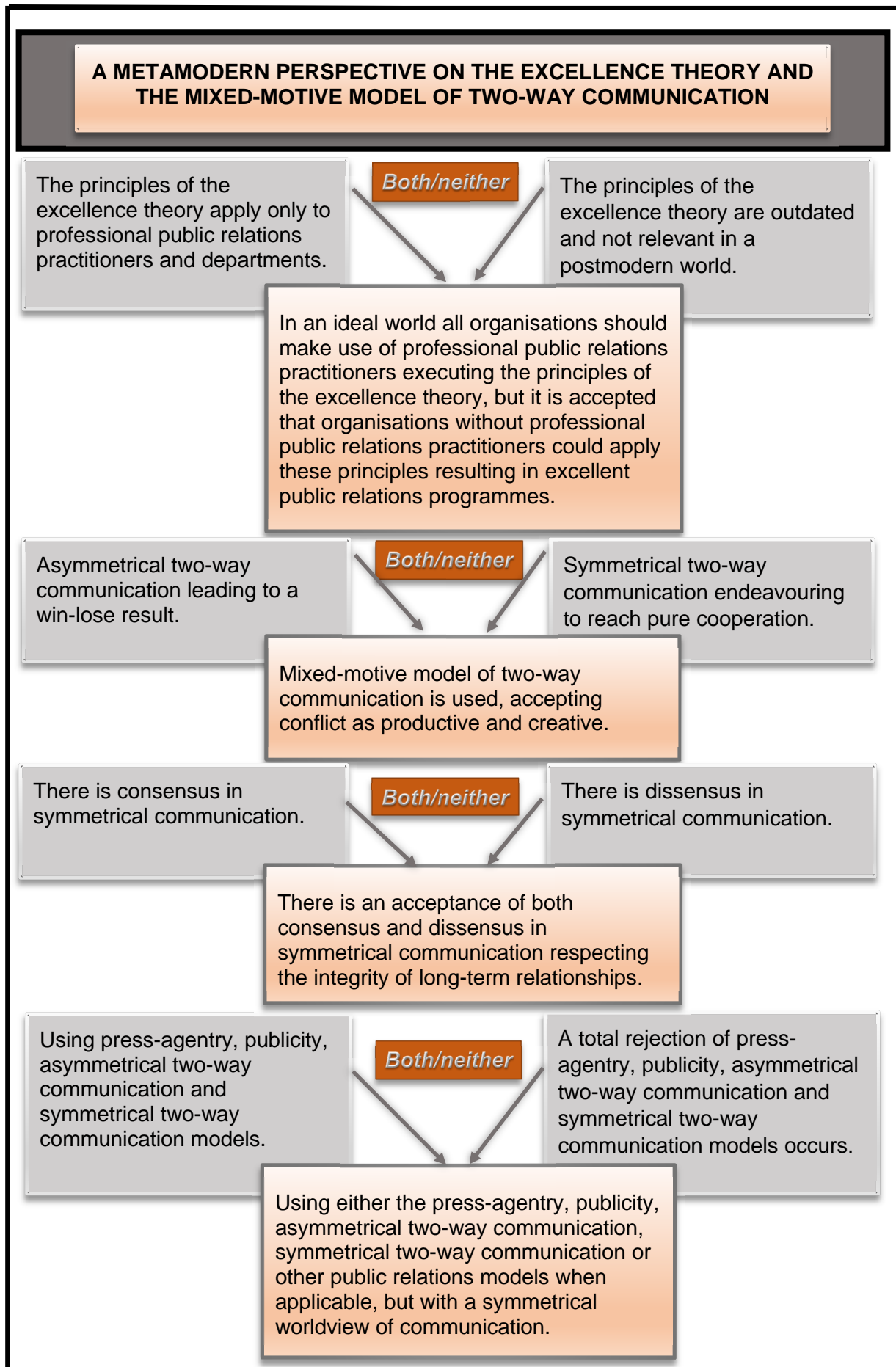
The excellence theory focusses on the public relations discipline, but theorists agree that relationships have always been centre to the practice of public relations and that the concept of relationship management provides new opportunities for the practice of public relations (Ledingham & Bruning 2009:xiii).

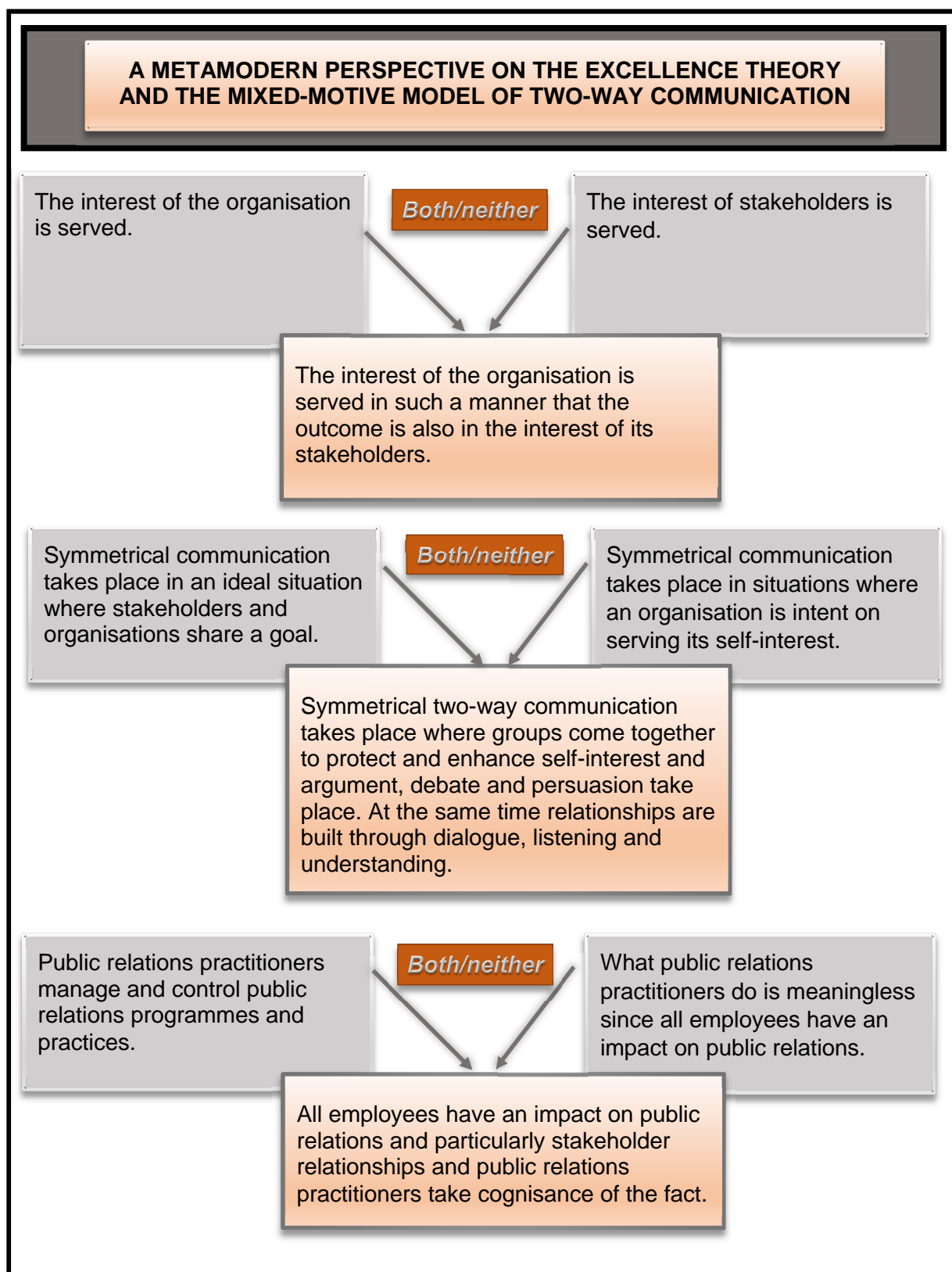
Concurring with Slabbert (2012:98) that the excellence theory is not a stakeholder relationship theory per se, it does, however, contribute strategically to the building, managing and sustaining of stakeholder relationships. This is underscored by Grunig, Grunig, Grunig and Ehling’s (1992:86) comment that excellence in corporate communication science contributes to organisational effectiveness “by building quality, long-term relationships with strategic constituencies”.

From the views above, it therefore follows that organisations need a formal public relations functions in order to build, manage or sustain relationships with their stakeholders. Modernists and postmodernists seemingly agree with this. Not only does the so-called modernistic excellence theory remain consistently popular in public relations practices, but postmodern communication scholars such as Holtzhausen (2002:31), declare that “in the final instance it is the focus on the practitioner who performs a formal communication function for an organisation that sets the field of public relations apart from other related ones, such as organisational communication, mass communication and organisation theory”. Holtzhausen (2002:31) nonetheless raises a few questions which reflect on the NPO public relations environment in South Africa. She considers the fact that public relations practitioners cannot manage and control public relations the way originally understood and her unease most pertinent to this study, is the possibility that “organisational actors have as much of an impact on public relations as the practitioners who are assigned to this task” (Holtzhausen 2002:36).

Considering Holtzhausen’s view, it is posited that organisational actors have an impact on public relations regardless of the existence of the service of formal public relations practitioners. It is therefore the contention of this study, that from a metamodern perspective, the excellence theory and mixed-motive two-way communication model remain relevant to the stakeholder relationship management efforts of NPOs in South Africa, with the understanding that the principles of this theory will be applied by all actors in the organisation, since they have a pertinent impact on the outcome of these efforts. Based on the preceding discussion a metamodern perspective of the excellence theory and mixed-motive two-way communication model is illustrated in Figure 3.4.

CHAPTER 3: CONTEXTUALISING THE RELEVANT COMMUNICATION THEORIES FROM A  
METAMODERN PERSPECTIVE





**Figure 3.4: A metamodern perspective on the excellence theory and the mixed-motive model of two-way communication**

Source: Researcher's own construct.

### 3.4.5 Conclusion on the excellence theory

In spite of postmodernists' stance that the model of two-way symmetrical communication should be "relegated to the archives" (Holtzhausen 2008:26), theorists such as Spicer (2009:27,38) declare that he can think of "few instances whereby a concept has had such a profound and lasting effect in a communication discipline as has the two-way symmetrical model" has had, and argues that the discipline of public relations would be "intellectually and pragmatically poorer" without this model. He believes that trust between an organisation and its stakeholders is a result of effective two-way symmetrical communication.

The critique against the excellence theory, and in particularly against two-way symmetrical communication may be relevant in particular situations, but it is nevertheless argued that two-way communication, albeit asymmetrical or symmetrical, is necessary for effective stakeholder relationship management. The key characteristics of two-way communication such as interdependency, openness, truthfulness, mutual understanding and a shared vision (Gregory 2000:269; Bishop 2006:217-221; Burchell & Cook 2006:212) are indeed fundamental to successful stakeholder relationship management (Slabbert 2012:20).

Grunig (2013:17-18) expresses a discomfort about the ability to "manage" relationships and argues that processes, rather than relationships, are managed. He coins the phrase stakeholder *cultivation* and regards stakeholder cultivation strategies as the heir to the excellence public relations models, claiming that stakeholder relationship cultivation strategies could be either asymmetrical or symmetrical (Grunig 2013:16). Relationship cultivation strategies will be discussed in detail in the chapter on stakeholder relationship management, but suffice it to mention at this point in time, that two-way communication remains inherent to these cultivation strategies.

It is thus posited that, from a metamodern perspective, it is preferable for two-way communication processes to be strategically managed by professional public relations practitioners in organisations, but since all employees are, often inadvertently, busy with cultivating relationships with stakeholders, the responsibility of strategic two-way communication processes and strategies should be designated to senior

management, who in turn should delegate to all employees, and not only the public relations professional. It therefore holds that effective two-communication strategies are arguably possible in NPOs without the services of full-time professional public relations practitioners.

### **3.5 CONCLUSION**

This chapter contextualised the relevance of the systems theory, integrated communication, the excellence theory and the mixed-motive model of two-way communication for this study from a metamodern perspective. It illustrated that these theories, which are regarded as modernistic and therefore seemingly irrelevant in a postmodern world, become pertinent when viewed from a metamodern perspective.

It was posited that the adaptive open-systems thinking approach is applicable to this study with the understanding that, from a metamodern perspective, systems could be closed or open, that the elements in a system could oscillate between simple and stable or complex and changing, and that the interrelations between them could be mutual or unidirectional, linear or non-linear (Buckley 1967:41). It was argued that systems thinking should therefore be applied in a critical and self-reflecting manner (Jackson 1991:146).

Resonating with Stewart's (1996:150) argument that integrated communication has a better chance of succeeding if it is carried out by a line manager, rather than a communication specialist, integrated communication was regarded as fundamental to stakeholder relationship management in all organisations, regardless of whether they employ professional public relations practitioners or not. It was posited that if NPOs in South Africa wish to have effective relationships with their stakeholders, they should still employ the principle of integrated communication in spite of their possible lack of professional public relations practitioners.

It was hence argued that from a metamodern perspective, this would imply that in the NPO environment in South Africa, IC will be a systemic, organised and planned strategy to some extent, but will arguably be executed by line managers in a flexible and creative manner.

From a metamodern perspective, it is further argued that the responsibility of strategic two-way communication processes and strategies should be designated to senior management and ultimately to all employees and not only the public relations professional, since all employees are involved in the cultivation of stakeholder relationships. It therefore holds that effective two-way communication strategies are arguably possible in NPOs without the services of full-time professional public relations practitioners.

Viewed through the lens of metamodernism, the harsh reality of modernism and the seemingly unfocussed perspective of postmodernism, soften into a milder worldview of the foregoing theories – a view comfortable with the principles of these theories oscillating between modernism and postmodernism. Adhering to this metamodern perspective, the next chapter will be dedicated to a critical investigation and discussion of existing stakeholder relationship theories, strategies, models and frameworks.



**CHAPTER  
4**

**THE STAKEHOLDER RELATIONSHIP MANAGEMENT  
CONCEPT AND THE IMPLICATIONS FOR  
COMMUNICATION MANAGEMENT**

---

*...our communication behaviour is the very lifeblood of our  
relationships.*

(Knapp & Vangelisti 1992:24)

## **4.1 INTRODUCTION**

The notion that relationship building should be a responsibility of communication specialists is not new. Ferguson (1984:16) commented more than 30 years ago that *relationships* should be the main focus of communication management research and not the organisation, stakeholders or the actual communication process. This coincided with Freeman's (1984) introduction of the stakeholder approach to organisational management in the same year. It therefore stands to reason that stakeholder relationship management became a significant paradigm not only in organisational management, but also in communication management. Falconi (2010:3;5) believes that a professional communications practitioners can no longer operate effectively on any level if he or she does not have a global, relationship-based perspective. He argues that the practice of communication management has moved away from developing communication with audiences, to developing relationships with strategic stakeholders. The fact that few NPOs in South Africa employ full-time communication practitioners to assist them with the implementation of effective stakeholder relationship management strategies, remains a challenge for NPOs.

The King III Report on Corporate Governance, which came into effect on 1 March 2010, included for the first time, a chapter (Chapter 8) outlining six principles for the governing of stakeholder relationships as indicated in Chapter 1. Supreme Court Judge Mervyn King rationalised in the King III Report on Corporate Governance that stakeholder relationships should be the primary responsibility of the board of directors who should ensure that their management teams monitor and govern those stakeholder relationships and report developments and progress regularly to the board

(IoDSA 2015a). Companies which are listed on the JSE, banks, financial and insurance entities as well as public sector enterprises governed by the Public Finance Management Act and the Municipal Finance Management Act (IoDSA 2015a) must comply (or explain why they do not comply) with the principles contained in the King Report on Corporate Governance.

The King III Report on Corporate Governance did not apply to non-profit organisations (NPOs), but in March 2016 a draft document of the King IV Report on Corporate Governance was made available for public comment with the promise of supplements pertaining to sectors other than those listed on the JSE or large companies, to follow (IoDSA 2016a). These supplements ultimately formed part of the final version of the King IV Report on Corporate Governance which was launched in November 2016 and addressed the sectors of municipalities, retirement funds, small and medium enterprises, state-owned entities and, of particular interest to this study, non-profit organisations (IoDSA 2017). This development enhances the importance of effective governance practices, of which stakeholder relationship management is one such practice, in all businesses, including the NPO sector.

In line with the aim of this study to propose a model for stakeholder relationship management that would be practical and implementable for NPOs in South Africa, it is necessary to contextualise the origin and history of the stakeholder theory and the consequent implications of these developments for the disciplines of organisational management and communication management.

The discussion in this chapter is structured as follows: Firstly, it will start with Freeman's (1984) seminal work, followed by the many variations of the stakeholder approach that emerged after Freeman's introduction of the stakeholder concept. Secondly, a summary of the work done by scholars during the 1990s and early 2000s on the stakeholder approach work will be provided. Thirdly, a critique of the stakeholder concept and theory will be offered, followed by illustrating the role of both organisational management and communication management in stakeholder relationship management. Finally, a metamodern worldview for stakeholder relationship management will be suggested in which it is argued that an oscillation

## CHAPTER 4: THE STAKEHOLDER RELATIONSHIP MANAGEMENT CONCEPT AND THE IMPLICATIONS FOR COMMUNICATION MANAGEMENT

between modernism and postmodernism will serve the interests of stakeholder relationship management best.

The structure of this chapter, which is the second chapter of phase one of the study (as indicated in Figure 1.1 in Chapter 1), is illustrated in Table 4.1

**Table 4.1: The structure of Chapter 4**

| TOPIC   | DISCUSSION   |
|---|--|
| Defining key concepts relevant to stakeholder relationship management         | <ul style="list-style-type: none"><li>Contextualising the definitions of key concepts such as stakeholder theory, stakeholder relationship management versus stakeholder management, organisational stakeholder relationship versus interpersonal relationship, stakeholder versus public and strategic stakeholder.</li></ul> |
| The origin and development of the stakeholder relationship management concept | <ul style="list-style-type: none"><li>Discussing the origin and historical development of the stakeholder relationship management concept from 1984 to 1999.</li></ul>   |
| Critique of the stakeholder relationship management theory and concept        | <ul style="list-style-type: none"><li>Illustrating that the main themes of criticism involves the stakeholder concept's claim to be a theory and the lack of clarity as far as stakeholder terminology is concerned.</li></ul>   |
| The role of organisational management in stakeholder relationship management  | <ul style="list-style-type: none"><li>Positioning theorists' agreement that stakeholder relationship management is a management function, and illustrating that there is little guidance as to how managers should develop this core competency.</li></ul>   |
| The role of communication management in stakeholder relationship management   | <ul style="list-style-type: none"><li>Discussing that communication specialists should be involved in business strategy development and positing that communication and stakeholder relationship management strategies should be driven by business strategies.</li></ul>  |
| Stakeholder relationship management from a metamodern perspective             | <ul style="list-style-type: none"><li>Illustrating how a metamodern worldview, oscillating between the principles of modernism and postmodernism, would serve effective stakeholder relationship management the best.</li></ul>  |

## 4.2 DEFINING KEY CONCEPTS RELEVANT TO STAKEHOLDER RELATIONSHIP MANAGEMENT

Numerous stakeholder theory approaches and stakeholder identification strategies followed Freeman's (1984) seminal stakeholder concept to the point where the sheer number of variations found in the literature becomes overwhelming. Although not recognised as an academic research resource, the scope of this topic becomes evident when it is noted that a search on Google for *stakeholder theory and stakeholder relationship management*, renders over one million results. It is also clear that scholars have their own interpretations and use terminology such as theory, concept, approach, technique, framework and model rather freely (Donaldson & Preston 1995:66) when deliberating stakeholder relationship management. Although briefly mentioned in Chapter 1, the terminology as it pertains to this research study, will be clarified in more detail before discussing the various stakeholder relationship management approaches that emerged over the years.

### 4.2.1 Stakeholder theory

Theorists agree that the stakeholder concept does not comply with the traditional definition of *theory* and that it offers no testable theory (Jones 1995:405). Fassin (2009:116) posits that the stakeholder concept has the potential to develop into a practical organisational theory that is useful to management, implying that it has not achieved that yet. Freeman (1994:413) and Freeman et al (2010:88) state that it should rather be seen as a "...framework, a set of ideas from which a number of theories can be derived". They argue that the terminology *stakeholder theory* represents the body of scholarship in which the stakeholder concept or framework is central. Various other researchers have the same viewpoint. For example, Mainardes, Alves and Raposo (2011:226;244) argue that the stakeholder theory has not been fully developed and call for research that would organise the vast body of knowledge produced on the stakeholder concept in order to obtain theoretical agreement for the development of the stakeholder theory.

Bearing the critique in mind, this study will nevertheless use *stakeholder theory* as the preferred term in order to remain aligned with current literature on the topic. The use

of *stakeholder theory* recognises and includes all aspects of the stakeholder concept. Where necessary, it will be pointed out whether a stakeholder concept proposed by a theorist is a theory, a framework or a model.

#### **4.2.2 Stakeholder relationship management versus stakeholder management**

Theorists link stakeholder theory and stakeholder relationship to a variety of verbs such as management, governance, engagement, cultivation and nurturing. Meintjes (2012:151) argues that stakeholder relationship management is the most encompassing concept, since it contains aspects of both stakeholder engagement and governing stakeholder relationships. She concludes that although Chapter 8 of the King III Report on Corporate Governance is titled “Governing Stakeholder Relationships”, the principles contained in it include aspects of engagement, governing and managing.

Savage, Nix, Whitehead and Blair (1991:62) argue that organisations must consider how to manage their stakeholders and believe that *stakeholder management* is a more descriptive terminology of this process than public relations, issues management or employee relations. They declare that “...stakeholder management seeks explicit management of stakeholders”. Andriof, Waddock, Husted and Rahman (2002:9) believe that the term *stakeholder management* is old-fashioned and corporate-centric and argue that organisations cannot manage their stakeholders, but only engage with them in order to build and improve the relationship. Concurring with them, it is argued here that the focus of the stakeholder theory should be on managing the *relationship* with stakeholders, rather than managing the actual stakeholder.

Thus, all concepts will be examined, but in the context of this study, *stakeholder relationship management* will be regarded as the most appropriate terminology, whereby it will be regarded as the entire process of establishing relationships with stakeholders, including engaging with them in order to govern, sustain, retain, cultivate and nurture such relationships.

#### 4.2.3 Organisational stakeholder relationship versus interpersonal relationship

Although a number of disciplines such as public relations, stakeholder relationship management, interpersonal relations, psychotherapy relations, international relations to name a few, use the term *relationship* as a central concept, a literature review suggests an absence of a widely accepted and applied definition of *relationship* (Broom et al 1997:83; 2009:3). Grunig and Huang (2000:28) agree when they state that the concept of relationship is widely used in public relations and arguably in stakeholder relationship management, but that the term has not been defined carefully. Broom, Casey and Ritchey (2009:3) propose a definition of organisation-public relationship (or organisation-stakeholder relationship in the context of this study) based on research following their 1997 seminal work. This definition is derived from a systems theory perspective – one of the meta-theories of this study – in which it is argued that interacting units develop *patterns* of interactions endorsing the interdependence or relatedness of elements as the central notion. In line with this systems view, relational communication scholars also argue that mutual adaptation is central to all interpersonal interaction (Broom et al 2009:15;16). Broom et al (2009:19) thus suggest that “organization-public relationships are represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics”.

Hon and Grunig (1999:14) argue that the concepts from interpersonal relationship research can all be applied to sustaining organisational stakeholder relationships and Svendsen (1998:66) compares the building of organisational stakeholder relationships with the process individuals follow when developing lasting relationships.

Toth (2000:213) agrees that relationships are inherently interpersonal and introduces a model illustrating how interpersonal communication processes can build organisational relationships with stakeholders. This echoes Botan's (1992:153) call for a paradigm that focusses on the communication process and how communication can be used to adapt relationships between organisation and stakeholders, rather than focussing on the management of public relations.

The focus of this study will be on organisational stakeholder relationships, but the relevance, impact and influence of interpersonal relationships will not be discarded as it is argued that ultimately relationships are built through communication by humans, albeit in an organisational context. Borrowing from Smith (2009:15), *relationships* will thus be seen as a connection or linkage between two groups either on an organisational or an individual level within the organisational context. This connection or linkage could exist for a number of reasons as suggested by Broom et al (1997:95). Parties may have certain views of one another, they may need resources from each other, they may be mutually threatened by elements from an uncertain environment or there may be a legal or intentional need to associate.

#### **4.2.4 Stakeholder versus public**

The terms *stakeholders* and *publics* are often used interchangeably (Steyn & Puth 2000:3, Grunig et al 2002:10). Theorists such as Grunig and Repper (1992:128) make a distinction when they argue that organisations choose their stakeholders, but that “publics arise on their own and choose the organisation for attention”.

According to Rawlins (2006:1), the terminology of *stakeholder* is found in business literature whereas *publics* emanate from the public relations literature. Steyn and Puth (2000:199) agree that managers use the term *stakeholders*, whereas *publics* are used by public relations practitioners. Some scholars make subtle distinctions whereby stakeholders become publics as awareness of a given situation arises. Steyn and Puth (2000:199-200) argue that publics are formed when certain stakeholder groups recognise an issue and organise themselves to deal with it. Their level of awareness of the issue determines what kind of a public they become, namely latent, aware, active or activist (Steyn & Puth 2000:199-200).

Freeman et al (2010:48) explain that the actual word “stakeholder” appeared for the first time in 1963 in an internal memorandum at the Stanford Research Institute (now known as SRI International, Inc). The term was created to sensitise management that stockholders were not the only group to which they should pay attention. The concept of stakeholder was thus originally defined as “those groups without whose support the organisation would cease to exist”. Freeman (1984:46) expanded this definition in

1984 and defines stakeholders as “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (*objective* is also sometimes replaced with *purpose* or *mission*) (Freeman 2010:52; Freeman et al 2010:54). Despite some criticism and a number of variations, this definition is still regarded as the standard definition and is quoted by numerous scholars in the literature (Mitchell et al 1997:854; Rowley 1997:889; Jawahar & McLaughlin 2001:400; Sachs & Munshi 2003:3; Rawlins 2006:2; Christensen, Morsing & Cheney 2008:98; Fassin 2009:116). It is also the accepted definition for the purpose of this study, but with the freedom to substitute *objective* with *purpose* or *mission* or *strategic intent* of the organisation where relevant (borrowing from Freeman’s example). Acknowledging that stakeholder awareness of an issue will decrease or increase over time, the terminology *stakeholder*, rather than *public*, will nevertheless be used in this study.

#### **4.2.5 Strategic stakeholder**

The excellence theory illustrated that the value of public relations becomes evident when it assists the organisation to segment different kinds of publics within identified stakeholder categories (Grunig 2006:158), thus implying that stakeholders and publics overlap, but should not necessarily receive the same attention. It also implies that all stakeholders are important, but that some are more strategic in certain specific situations, a view echoed by Barringer and Harrison (2000:376) when they argue that it is a misconception to regard all stakeholders as equal. A study conducted by Podnar and Jancic (2006:302), illustrated that the most significant stakeholder categories in an organisation are “essential” or “inevitable exchange” stakeholders. They posit that these stakeholders are crucial for the organisation’s survival and have the most powerful relationships in an organisation.

Theorists therefore agree that relationships should be built with *strategic* stakeholders. Steyn and Niemann (2010:122) argue that an organisation is more likely to be regarded as a responsible corporate citizen with a positive reputation if it considers the needs of *strategic* stakeholders, and Grunig (2006:158) believes that the value of communication science lies in building long-term relationships with *strategic* stakeholders. Freeman’s (1984:46) definition of “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” is a reference to a



broad understanding sense of stakeholder. However, he did narrow it down to a more strategic concept when he identified it as “any identifiable group or individual on which the organization is dependent for its continued survival” (Freeman & Reed 1983:91). Clarkson (1995:106) used the same principle, but different terminology when he defined stakeholders as either primary or secondary stakeholders, where primary stakeholders are those without whose continued support the organisation would not survive – thus strategic stakeholders. Fassin (2009:117) expands on this when he describes the broad view of a stakeholder as a managerial approach emphasising the relational aspect between stakeholders and the organisation, and the narrow view as a legal interpretation in which stakeholders have rights and contracts and the organisation has duties and obligations towards them. He introduces the terminologies of *stakeholder* (those who have a stake in the organisation) *stakewatchers* (those who do not have a stake, but protect the interests of stakeholders) and *stakekeepers* (those who have no direct stake in the organisation, but keep the stake for stakeholders through regulations and constraints) (Fassin 2009:121). *Stakeseekers* can also be added to these refinements of the term stakeholder where stakeseekers are seen as those groups who claim to have a stake or would like to have a stake in the organisation (Holzer 2008:50; Fassin 2010:40).

For the purpose of this study, a *strategic* stakeholder will thus be regarded as a stakeholder without whose support an organisation may cease to exist, provided that the stakeholder holds the characteristics of power, legitimacy and urgency as defined by Mitchell et al's (1997) theory of stakeholder identification and salience. This theory is discussed in more detail in section 4.3.10. The concepts of stakewatchers, stakekeepers and stakeseekers will be considered, but in the interest of simplicity these terminologies will not be used explicitly.

The stakeholder concept, theories and approaches pertaining to it, became increasingly popular and relevant in the years following Freeman's introduction of the concept in 1984. In order to form a picture of these developments, the next section will discuss the most prominent developments in chronological order.

### 4.3 THE ORIGIN AND DEVELOPMENT OF THE STAKEHOLDER RELATIONSHIP MANAGEMENT CONCEPT

In the preface to his seminal work on stakeholder theory, Freeman (1984:v) states that “managers in today’s corporation are under fire”, and continues by explaining why managers’ ability to manage the affairs of organisations is being questioned. In the preface of the reissue of the same textbook, Freeman (2010) acknowledges he had no idea that the stakeholder theory would still be relevant in business so many years later. He reiterates that managers today are still under fire and that dealing with stakeholders is still the essence of strategic thinking (Freeman 2010:iii). Arguably, he could also not have predicted the proliferation of stakeholder theory techniques and approaches that would emerge after his seminal work.

What follows is not a complete list of stakeholder relationship management approaches and methodologies, but represents the main themes found in the stakeholder relationship management literature. From this discussion, a number of theories, methodologies and approaches most relevant to this study and particularly to South African NPOs, will be identified and elaborated on in Chapter 5.

#### 4.3.1 Freeman’s stakeholder management framework (SMF) (1984)

Although theorists refer to Freeman’s (1984) seminal work as the first important work on stakeholder *theory*, he seems to prefer to call it a stakeholder *approach*, rather than a theory. Originally, his approach appeared to be normative in nature, but after the emergence of Donaldson and Preston’s (1995:66) instrumental, descriptive and normative theoretical viewpoints of the stakeholder concept (see section 4.3.8 for a detailed discussion), Freeman et al (2010:25) are comfortable with the view that the stakeholder approach is descriptive, normative and instrumental at the same time, and state that the stakeholder theory “is fundamentally a theory about how business works at its best and how it could work”. In this quote, *approach* has now changed to *theory*.

As with *approach* and *theory*, Freeman (1984; 2010) seems to use the terminology *framework* and *model* interchangeably. He does, however, suggest that a *framework* is necessary in order for organisational managers to not only know, but also

understand the stakeholders with whom they need to build relationships (Freeman 2010:22).

In explaining his proposed stakeholder management framework, Freeman (1984:53; Freeman 2008:112; Freeman 2010:53) argues that organisations function on at least three levels when managing relationships with their stakeholders, namely the rational, process and transactional levels.

On the rational level, an organisation must understand who its stakeholders are, as well as what their perceived stakes are and Freeman (2010:55) suggests mapping stakeholders as a strategy to achieve this. This mapping will inevitably happen from the perspective of the organisation and could pose serious problems if the organisation's perceptions of its stakeholders' stakes and power are incorrect. The next level is therefore the implementation of an organisational process to check that the assumptions managers make about their stakeholders are correct. Freeman (2010:64) argues that it is necessary to look at an organisation's standard operating procedures and processes in order to ensure alignment with the external environment. The third level is the transactional level during which the transactions that organisations have with stakeholders are scrutinised, in order to ensure alignment with the stakeholder map (level one) and the organisational process for managing stakeholders (level two).

Notably, Freeman's stakeholder concept developed from a fairly modernistic approach (normative) to today's approach, resonating with metamodernism in which it is accepted (even by him) that the stakeholder theory comfortably oscillates being either normative, descriptive, instrumental or all of them.

Freeman conceptualised his stakeholder framework from an organisational perspective and briefly mentions the role of communication in this process.

#### **4.3.2      Ferguson's relational paradigm for public relations (1984)**

Ferguson's (1984) work focussed on research in public relations and not on the stakeholder theory per se, when she conceived what is known today as the relational

paradigm for public relations. Ferguson was the first theorist to suggest that *relationships* between organisations and their stakeholders (she used the term *publics*) should be the unit of analysis in public relations, and not the entities of organisation, communication process or stakeholders (Toth 2000:213; Ledingham 2003:182; Botan & Taylor 2004:648).

Ferguson (1984:16) argued that a relationship-centric focus would regard relationships as the prime issue and not the parties involved in the relationship and that the meaning of the relationship for both the organisation and the stakeholder would be better understood. She suggested that a theory of public relations should include a number of variables namely: organisational structure, organisational objectives, boundary-spanning roles, the size of the organisation, technology, the type of management structure, leadership styles, climate, culture, intra-organisational communication attributes and environmental variables on an *organisational level*; a definition of a public variable on a *public level*; one- or two-way communication directions and the degree of symmetry versus asymmetry variables on a *communication level*.

Slabbert (2012:95) argues that Ferguson's relational paradigm for public relations can be regarded as the starting point towards theory building in the organisational stakeholder relationship context. Because Ferguson's approach explicitly refers to the central role of communication and management or leadership as a variable in building stakeholder relationships, this view is particularly important for this study, which will be illustrated in Chapter 5.

This relational approach to public relations is still dominant in communication science (Botan & Taylor 2004:648) and has been further developed by Broom et al (1997), Ledingham and Bruning (1998, 2000) and Kent and Taylor (2002), amongst others.

#### **4.3.3 Grunig and Hunt's linkages model (1984)**

Grunig and Hunt (1984:141) propose identifying stakeholders according to their links to an organisation, the so-called linkages model. This model borrows from Freeman's rational level. Rawlins (2006:3) describes this as probably the best stakeholder

mapping model in public relations, since some segmentations found in public relations are often as simple and inadequate as internal versus external stakeholders. Although not explicitly mentioned, it is accepted that Grunig and Hunt (1984) implied the importance of communication in the linkages model of identifying and categorising stakeholders, since communication science is their area of expertise. No mention, however, is made of management's role in stakeholder relationship management. While considered useful, it is posited that Grunig and Hunt's (1984) linkages model is limited in the sense that it merely assists in mapping stakeholders on a rational level, and does not offer any insight into the attributes of stakeholders, such as their power and legitimacy.

The linkages model maps organisational stakeholders according to enabling, functional, diffused and normative linkages. *Enabling* stakeholders enable an organisation to have resources and to operate, and are typically stakeholders such as stockholders, boards of directors, legislators and regulators. *Functional* stakeholders are necessary for the functioning of the organisation by providing input (employees and suppliers) and by utilising the output of the organisation (consumers and retailers). *Normative* stakeholders and organisations have a common interest and share similar values, goals and problems (competitors, professional associations). *Diffused* stakeholders do not have regular interaction with the organisation, but become involved as a result of an organisation's actions (media, community, activists) (Rawlins 2006:4).

#### **4.3.4 Donaldson and Davis' stewardship theory (1989)**

The agency and stewardship theories both describe the relationships between principals and agents, where in general, terms principals refer to stakeholders and agents to internal and/or external stakeholders (Donaldson & Davis 1989:50; Van Puyvelde, Caers, Du Bois & Jegers 2012:432). These theories, however, differ in assumptions and treatment. From a theoretical basis, the agency theory is concerned with economics, as opposed to the stewardship theory's concern with psychology and sociology. The management approach in the agency theory is control (distrust) where the agent's motivation is mainly extrinsic. In the stewardship theory, management's

approach is collaboration (trust), where the agent's motivation is intrinsic (Donaldson & Davis 1989:50; Van Puyvelde et al 2012:437).

The stewardship theory, suggests that managers essentially want to do a good job and be good stewards of the organisation's assets, including its stakeholders. This is in contrast with the agency theory which is concerned with the potential conflict between agents (managers) and principals (typically shareholders, but also all stakeholders) where both are motivated by self-interest (Donaldson & Davis 1989:50;51).

The stewardship theory originated from psychology and sociology, but has been successfully applied in management, stakeholder and communication theory. Kelly (1998) suggests that stewardship is the "missing link" in the public relations process. In proposing relationship management as a general theory of public relations, Ledingham (2003:192) emphasises the fact that mutual benefit strategies, which are inherent to the stewardship theory, are conducive to organisational success (Waters 2009:114).

Hon and Grunig (1999:17) list the four symmetrical elements of stewardship as *reciprocity*, *responsibility*, *reporting* and *relationship nurturing*. These terms can be explained as follows (Hon & Grunig 1999:17; Waters 2009:114; Slabbert 2012:146): *Reciprocity* means that an organisation demonstrates gratitude towards its stakeholders; *responsible* organisations, desiring longevity, act in a socially responsible manner towards stakeholders; *reporting* implies that organisations meet legal reporting requirements and keep stakeholders informed through open and accurate information and *relationship nurturing* indicates an acceptance of the importance of strategic stakeholders and a recognition of the fact that the extra effort put into nurturing relationships will ultimately benefit the organisation.

Slabbert (2012:146) argues that the stewardship theory as proposed by Donaldson and Davis (1989) is focussed on the achievement of one-way organisational objectives, and that stakeholder needs will only be satisfied if they are aligned with organisational needs and objectives. She proposes that stakeholders and organisations should both be stewards of each other, thus implying that stakeholders

also have certain responsibilities towards the organisation, and not only the organisation to stakeholders.

Although no mention of the role of communication management is made, the stewardship theory explicitly mentions management's role and responsibility in stakeholder relationship management. It will therefore be regarded as an important theory for this study and will be discussed in more detail in Chapter 5.

#### **4.3.5 Savage, Nix, Whitehead and Blair's accessing and managing stakeholders strategy (1991)**

Savage, Nix, Whitehead and Blair (1991:65-67) classify stakeholders into four types, based on their potential for threat and potential for cooperation. These types are referred to as supportive, marginal, non-supportive and mixed-blessing stakeholders, and they suggest different strategies to deal with them.

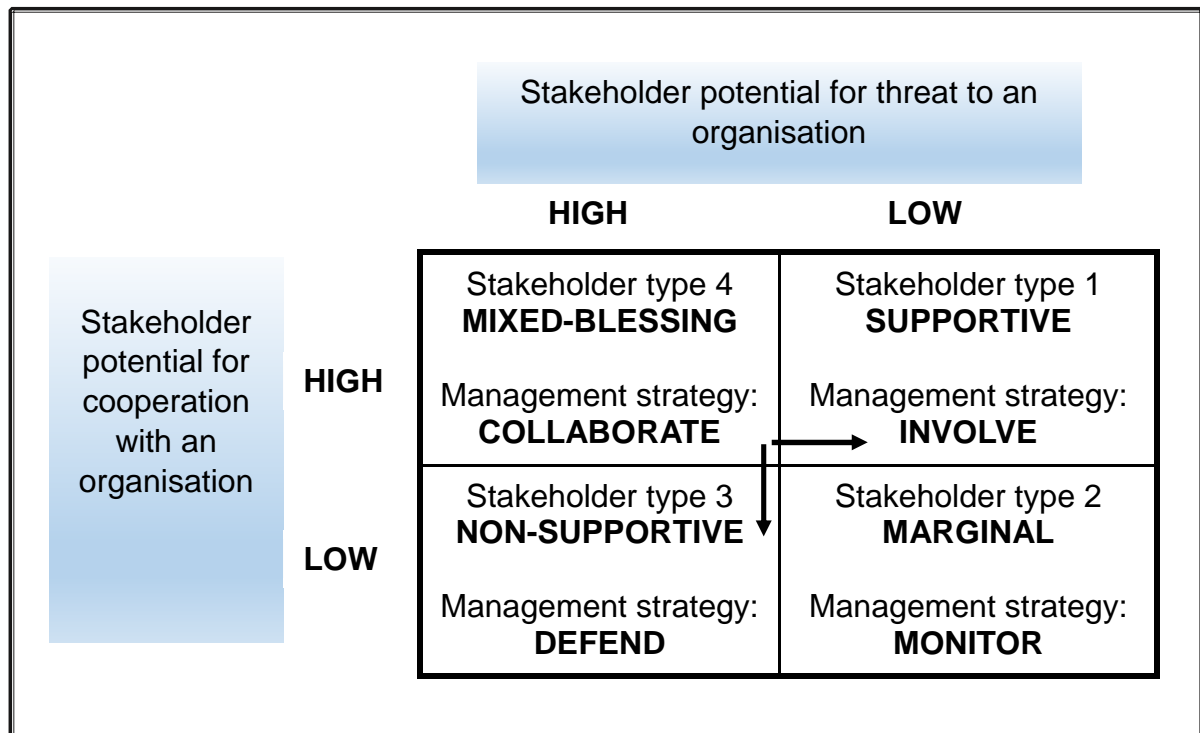
*A supportive stakeholder* measures high on potential for cooperation and low on potential threat. The best management strategy is to involve these stakeholders in relevant issues.

*Marginal stakeholders* are neither very cooperative nor highly threatening and management should merely monitor them, unless the issues involved will ultimately impact on them.

*Non-supportive stakeholders* are generally the most distressing to organisations, since they are high on potential threat and low on cooperation. Savage et al (1991:66) suggest that defence against such stakeholders should be a management's strategy with the aim to convert these stakeholders to supportive stakeholders.

The *mixed-blessing stakeholder* has an equally high potential for threat and cooperation and a strategy of collaboration is suggested by Savage et al (1991:67) in order to maximise cooperation and reduce the threat.

Savage et al's (1991) approach is graphically illustrated in Figure 4.1.



**Figure 4.1: Diagnostic typology of organisational stakeholders**

Source: Savage et al (1991:65).

The Savage et al (1991) approach is normative and explains how managers should categorise and manage their stakeholders. It does, however, allow for some flexibility in the sense that the authors argue that stakeholders' significance is dependable on situations and issues. This implies that categorising them cannot be done in the true modernistic fashion of supporting only one way (one truth), but that management should be open to change and flexibility when categorising stakeholders (Savage et al 1991:72).

Although this approach considers management's role in categorising and managing stakeholders, it does not refer to communication management's role in the process.

#### 4.3.6 Hill and Jones' stakeholder-agency theory (1992)

Hill and Jones (1992) expanded the agency theory and developed their stakeholder-agency theory confirming Van Puyvelde et al's (2012:437) argument that there is a



need for both the agency and the stewardship theory in explaining agent-principal relationships.

An agency relationship is defined as a “contract under which one or more persons (the principal(s)) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent” (Jensen & Meckling 1976:308).

Hill and Jones (1992) used the basic principles of the agency theory to construct their stakeholder-agency theory, but where the agency theory focusses on the firm as a nexus of contracts between resources holders, Hill and Jones’ stakeholder-agency theory regards managers as agents of *all* stakeholders (Hill & Jones 1992:132; Friedman & Miles 2006:107). They posit that managers enter explicitly or implicitly into contracts with all stakeholders, that managers are the “only group of stakeholders who enter into a contractual relationship with all other stakeholders”, and that they are also the only group who has direct control over the decision-making of the organisation. Hill and Jones (1992:134) argue that managers therefore have a moral responsibility to make strategic decisions consistent with the claims of other stakeholders groups. The stakeholder-agency theory thus has a normative paradigm with some elements of the descriptive paradigm apparent.

In the agency theory, principals hire agents to perform services on their behalf, but apart from a limited number of stakeholders (stockholders and some customers for example), managers are not hired by stakeholders. Hill and Jones (1992:134) argue that the parallels between principal-agent and stakeholder-agent relationships suggest that the agency theory can be seen as a subset of stakeholder-agent relationships.

The original concept of the agency theory, where it is argued that managers will not act in the interest of shareholders unless governed so by appropriate structures in large organisations (Donaldson & Davis 1989:50), is in sharp contrast to the stewardship theory as discussed in section 4.3.4. However, Hill and Jones’ proposed stakeholder-agency theory brings a new perspective to the agency theory suggesting that from an ethical point, managers will endeavour act in the interest of stakeholders, regardless of the existence or lack of governing structures.

From the discussion above, it is posited that the stakeholder-agency theory clearly sees stakeholder relationship management as a management function and regards management as ethically and morally responsible towards all stakeholders.

#### **4.3.7 Grunig's situational theory of publics (1992)**

Grunig (1992) developed the situational theory of publics in the early 1980s, but it gained momentum in the 1990s when the stakeholder concept became important in the domain of communication science. This theory attempts to predict an individual's level of activity with regard to a specific issue, and illustrates why some publics are more active than others (Rawlins 2006:9). Grunig and Repper (1992:125) distinguish between stakeholders and publics and posit that "stakeholders who are or become more aware and active can be described as publics". They categorise publics into *non-publics* (those who do not face a problem), *latent publics* (those who face a problem, but do not recognise it as such), *aware publics* (those who recognise the problem) and *active publics* (those who do something about the problem).

The situational theory of publics posits that three variables will determine publics' level of action, namely problem recognition, the level of involvement and constraint recognition. Summarised, this means that *problem recognition* supposes the extent to which publics realise that something is wrong, but seek no further information about it, unless they recognise the connection between them and the problem. The *level of involvement* relates to the degree to which a public feels connected to a situation. *Constraint recognition* refers to the degree to which a public feels limited or constraint to do anything about a situation or issue. The higher the level of constraint, the smaller the desire to communicate about the issue (Grunig & Repper 1992:135; Rawlins 2006:9; Meintjes 2012:123; Slabbert 2012:125).

The situational theory holds that a public with a high level of problem recognition and involvement, combined with a low level of constraint recognition, will be an active public and will seek more information (Tkalac 2007:532). The possible permutations are illustrated in Table 4.2.

**Table 4.2: Types of publics according to Grunig's situational theory**

|  | High involvement            | Low involvement     |
|--|-----------------------------|---------------------|
| <b><u>Problem-facing behaviour</u></b><br><b>High</b> problem recognition<br><b>Low</b> constraint recognition | Active public               | Active/aware public |
| <b><u>Constrained behaviour</u></b><br><b>High</b> problem recognition<br><b>High</b> constraint recognition   | Aware/active public         | Latent/aware public |
| <b><u>Routine behaviour</u></b><br><b>Low</b> problem recognition<br><b>Low</b> constraint recognition         | Active (reinforcing) public | Non/latent public   |
| <b><u>Fatalistic behaviour</u></b><br><b>Low</b> problem recognition<br><b>High</b> constraint recognition     | Latent public               | Non-public          |

Source: Rawlins (2006:10).

The situational theory of publics is regarded as an important theory in the context of this study, since it holds the promise of predicting and explaining stakeholder communication behaviour. It can also be used to slice large stakeholder groups into smaller segments that are most likely to communicate on a certain topic (Tkalac 2007:529). Slabbert (2012:125) in fact argues that the three variables inherent to the situational theory of publics could be used to identify an organisation's *strategic* stakeholders, because they would be those who communicate more and/or seek more information about certain issues.

#### **4.3.8 Donaldson and Preston's descriptive, instrumental and normative stakeholder theory (1995)**

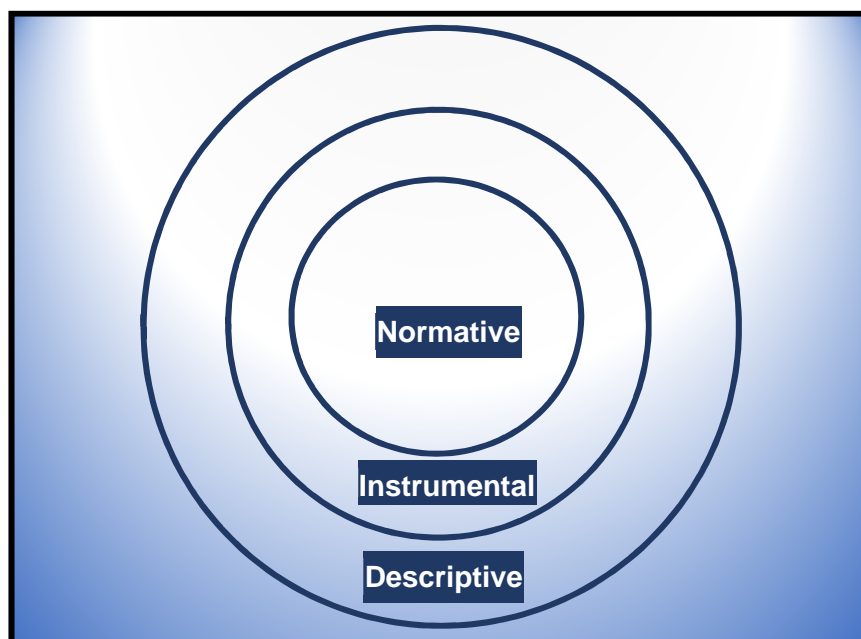
Donaldson and Preston (1995:66-67) argue that the stakeholder theory is descriptive, instrumental and normative at the same time, but that its fundamental basis is normative. Descriptive (or empirical) formulations of the stakeholder theory describe and explain how managers actually behave when dealing with the organisation's

stakeholders. It demonstrates how organisations operate when it comes to stakeholder relationship management and answers the question *what happens?* (Donaldson & Preston 1995:66; Jones 1995:406; Mainardes 2011:233).

On an instrumental level the stakeholder theory describes what will happen if managers behave in a certain way and instrumental studies intent to illustrate the implications for organisations of adhering to stakeholder relationship management principles (Donaldson & Preston 1995:71). This paradigm demonstrates how organisational objectives could be achieved through stakeholder relationship management and asks the question *what happens if?* (Jones 1995:406; Mainardes et al 2011:233).

The normative stakeholder theory on the other hand, asks *what should happen?* and appeals to the moral correctness of the behaviour of organisations and their managers (Jones 1995:406). It defines how organisations should operate when dealing with stakeholders from a moral perspective (Mainardes 2011:233).

Donaldson and Preston (1995:74) argue that normative concerns have been dominating the stakeholder theory from the beginning and believe that it is at the central core of the stakeholder theory as graphically illustrated in Figure 4.2.



**Figure 4.2: Three aspects of the stakeholder theory**

Source: Donaldson and Preston (1995:74).

Freeman (1994:413; Fassin 2009:113) adds a fourth dimension to Donaldson and Preston's descriptive, instrumental and normative uses of stakeholders, which he calls the *metaphorical* use of stakeholders. According to him, there is no "stakeholder theory", but rather a number of possible stakeholder theories and he describes the stakeholder theory as a "genre of stories about how we could live" (Freeman 1994:413). Disregarding the so-called separation thesis which argues that business and ethics should be separated, Freeman (1994:409) argues that the stakeholder theory becomes a way of blending the concepts of business with those of ethics.

Donaldson and Preston (1995:66-67) provided four theses in their seminal work, of which the first three cover the propositions that the stakeholder theory is descriptive, instrumental and normative. This view of the stakeholder theory has been widely accepted and is constantly referred to by scholars (Rawlins 2006; Mainardes et al 2011; Sachs & Rühli 2011; Meintjes 2012; Slabbert 2012). Very few scholars, however, seem to have latched onto the fourth thesis in which Donaldson and Preston (1995:87) state explicitly that the stakeholder theory is *managerial* in the broad sense of the term. The authors argue that management and the management function have a responsibility to consider the legitimate interests of stakeholders and that attitudes, structures and practices in an organisation aimed at this goal, constitute a stakeholder relationship management philosophy. Although no reference is made to the role of the communication function in this process, this stakeholder paradigm is of particular importance to this study and will be discussed in more detail in Chapter 5.

#### **4.3.9 Clarkson's stakeholder framework for analysing and evaluating corporate social performance (1995)**

Clarkson (1995) presents a stakeholder framework for analysing and evaluating corporate social performance and argues that using a framework based on an organisation's management of its relationships with stakeholders, is more effective in evaluating corporate social performance than using methodologies concerning corporate social responsibilities and performance (Clarkson 1995:92).

Clarkson (1995:106-107) uses the fairly uncomplicated categorisation of stakeholders into primary and secondary stakeholders and identifies primary stakeholders as those

“without whose continuing participation the corporation cannot survive as a going concern”, and secondary stakeholders as those “who influence or affect, or are influenced or affected by, the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival”.

Clarkson (1995:103) and Friedman and Miles (2006:90) suggest that managers understand issues of accountability, obligations and social responsibility to stakeholder groups even though they may have had no training in these issues. They also argue that since there are potentially so many social issues, legislation or regulation of those issues will in the long run determine its salience. Although Clarkson (1995:103) explicitly refers to management’s role in the process, no mention of communication management is made.

#### **4.3.10 Mitchell, Agle and Wood’s theory of stakeholder identification and salience (1997)**

Mitchell et al (1997) made a valuable contribution to the development of the stakeholder theory, when they attempted to clarify what Freeman (1994:412) calls “The Principle of Who or What Really Counts” – in other words who are the stakeholders of the organisation from a normative perspective? and to whom do managers pay attention from a descriptive perspective? (Mitchell et al 1997:853; Sachs & Munshi 2003:3).

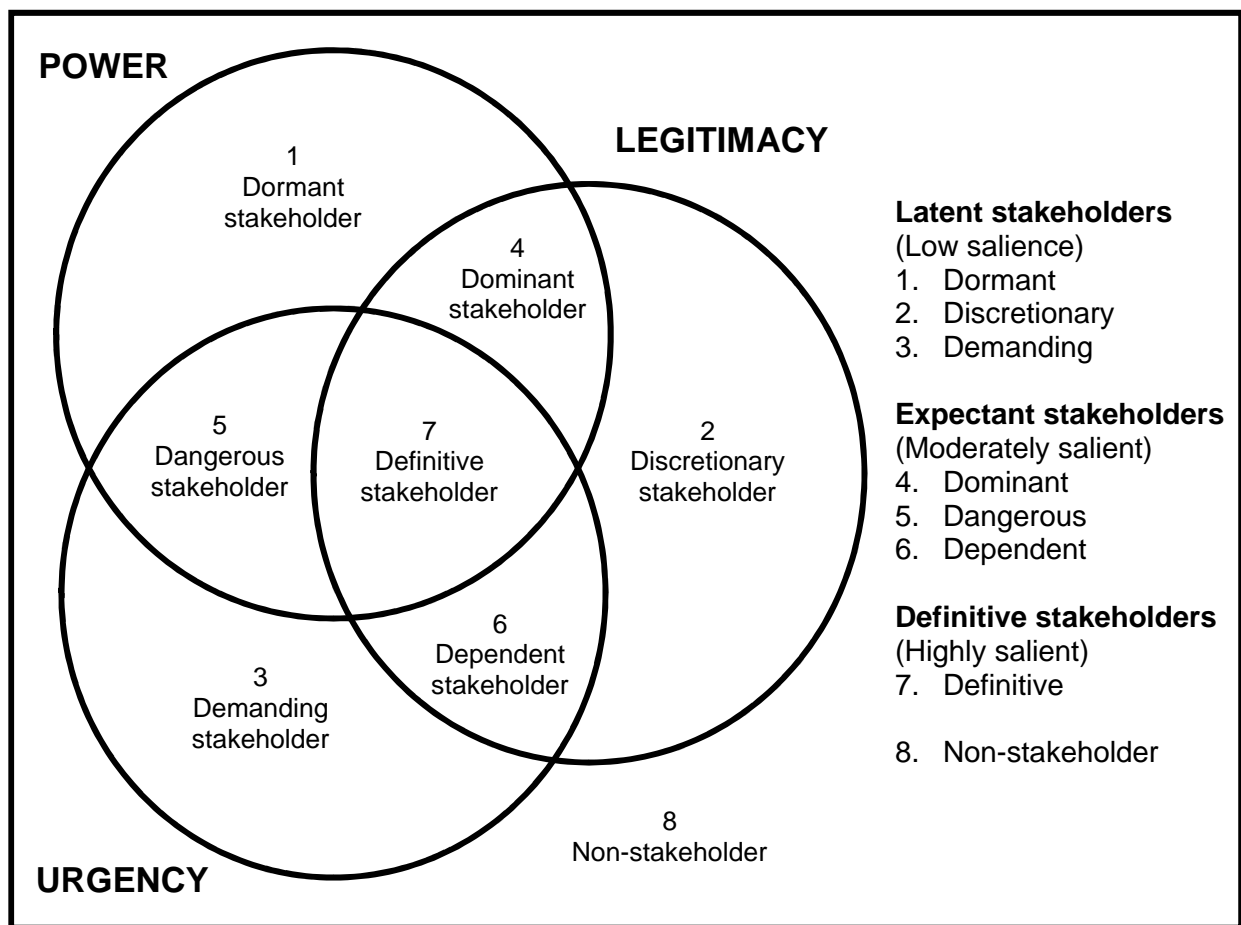
In reviewing various definitions of the term *stakeholder*, Mitchell et al (1997:855-862) conclude that all these definitions contained the attributes of *power*, *legitimacy* and *urgency* as common dominators and that these three attributes can be regarded as identifiers of stakeholder classes.

Borrowing from various theorists, they present the following characteristics of these attributes (Mitchell et al 1997:869): power, legitimacy and urgency: *power* is the extent to which a stakeholder (referred to as “a party in a relationship” by Mitchell et al (1997:865)) has or can gain access to means to enforce its will in a relationship, determines its power; *legitimacy* – Mitchell et al (1997:869) accept Suchman’s (1995:574) definition of legitimacy namely, “a generalised perception or assumption

that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions". Legitimacy is thus regarded as socially expected, desirable and accepted behaviour or structures (Meintjes 2012:118). Authority is generated when power and legitimacy are combined (Mitchell et al 1997:869); *urgency* depicts the degree to which stakeholder claims demand immediate attention and exists when the nature of a claim or relationship is time-sensitive (stakeholders find managerial delay in dealing with a claim or relationship unacceptable) and critical or important to the stakeholder (Mitchell et al 1997:867).

The stakeholder attributes of power, legitimacy and urgency share a number of features. They are all variables and can change in any manager-stakeholder relationship, they are socially constructed and not objective realities, and a stakeholder may not be aware of possessing an attribute, or if aware, may choose not to act in any implied manner (Mitchell et al 1997:869).

It is argued that there is an interdependent relationship between these attributes and Mitchell et al (1997:874) explicated the stakeholder identification theory further into what Rawlins (2006:6) refers to as a prioritisation strategy. By combining the three attributes of power, legitimacy and urgency in various permutations, Mitchell et al (1997:873) argue that a stakeholder possessing only one attribute could be regarded as a latent stakeholder, a stakeholder possessing two attributes is an expectant stakeholder, and a stakeholder with all three attributes is a definitive stakeholder. Stakeholders with no attributes are non-stakeholders. They then dissected these classes further to illustrate that a *latent* stakeholder could be dormant, discretionary or demanding; an *expectant* stakeholder could be dominant, dependent or dangerous; a *definitive* stakeholder is only definitive. This is illustrated graphically in Figure 4.3.



**Figure 4.3: Stakeholder typology illustrating one, two or three attributes present**

Source: Mitchell et al (1997:874); Friedman and Miles (2006:94).

The various classes and subcategories are expanded on and contextualised in Table 4.3.

**Table 4.3: Classes and subcategories of stakeholder identification**

| CLASS                         | CATEGORY   | DESCRIPTION   |
|-------------------------------|--|---|
| <b>Latent – one attribute</b> | <b>DORMANT</b><br>Attribute is <b>Power</b>            | Since a dormant stakeholder has no legitimacy or urgency in its claim, its power remains unused. Managers would typically spend little resources on such a stakeholder. |
|                               | <b>DISCRETIONARY</b><br>Attribute is <b>Legitimacy</b> | A discretionary stakeholder is reliant on the goodwill of an organisation since it does not have the power or urgency to pressurise the organisation into action.       |



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| CLASS                                    | CATEGORY   | DESCRIPTION   |
|--|--|---|
|  | <b>DEMANDING</b><br>Attribute is<br><b>Urgency</b>   | Demanding stakeholders could be time consuming, but they have no legitimacy or power and are therefore in fact not dangerous.   |
| <b>Expectant –<br/>two attributes</b>    | <b>DOMINANT</b><br>Attributes are<br><b>Power</b> and<br><b>Legitimacy</b>                     | Dominant stakeholders receive much of management's attention, since they have both power and legitimacy and can therefore act on their claims.  |
|  | <b>DEPENDENT</b><br>Attributes are<br><b>Urgency</b> and<br><b>Legitimacy</b>                  | These stakeholders depend on an organisation to address their claims and have both legitimacy and urgency. Organisations should be socially responsible towards these stakeholders considering that they have no power. |
|  | <b>DANGEROUS</b><br>Attributes are<br><b>Power</b> and<br><b>Urgency</b>                       | Dangerous stakeholders have urgency and power, but no legitimacy and may become violent if they choose not to use formal channels to effect change.   |
| <b>Definitive –<br/>three attributes</b> | <b>DEFINITIVE</b><br>Attributes are<br><b>Power</b><br><b>Legitimacy</b> and<br><b>Urgency</b> | Definitive stakeholders have all three attributes and have the highest significance.  |

Source: Researcher's own construct conceptualised from Mitchell et al (1997); Rawlins (2006); Meintjes (2012).

Freeman (1984), Clarkson (1995) and Donaldson and Preston's (1995) stakeholder identification approaches focus mainly on the legitimacy of stakeholders and stakeholder claims. While not discrediting this approach, Mitchell et al (1997:882) endeavour to expand the understanding of stakeholder salience beyond being only legitimate and added the attributes of power and urgency to the typology.

Mitchell et al (1997:871) emphasise management's role in stakeholder relationship management and define *salience* as "the degree to which managers give priority to competing stakeholder claims". They argue that managers are central to their proposed stakeholder identification and the salience theory since managers determine which stakeholders are salient and should receive attention. This stakeholder and

salience theory is of particular relevance to management's role in the identification of stakeholders, since it is argued that managers will pay more attention to those stakeholders who have the most attributes and are therefore regarded as salient (Mitchell et al 1997:870; Sachs & Munshi 2003:3; Meintjes 2012:117). These decisions, however, are based on management's subjective perception of the stakeholders' attributes, which may therefore not always be the correct perception. Again, no mention is made of the role of communication management in the process.

#### **4.3.11 Ledingham and Bruning's relationship management theory (1998)**

Public relations (or communication management for the purposes of this study) theories such as the excellence theory and mixed-motive symmetrical communication model all infer the importance of stakeholder relationship management, but Ledingham and Bruning's (1998) relationship management theory specifically developed for communication management, is arguably the most ground-breaking theory explicitly linking communication management and relationship building.

Ledingham and Bruning (1998:63) illustrated that the relationship dimensions of trust, openness, involvement, commitment and investment in organisation-stakeholder relationships, play a pivotal role in determining which stakeholders stay, leave or remain undecided. They also argued that communication management programmes could be designed around relationship goals if the communication management function is viewed as a relationship management function and recognises relationships as central to communication management. This echoes Ferguson's (1984) call for relationships to be the central focus of communication management research. The importance of symmetrical two-way communication is underscored by the relationship management theory when it is posited that stakeholders will become and remain loyal to an organisation when the organisation's involvement and support are known to those stakeholders (Ledingham 1998:63; Wiggill 2009:47).

Although the relationship management theory does not address stakeholder identification strategies, it remains an important theory in the context of this study, since it refers explicitly to the role of both management and communication in the building and sustaining of organisation-stakeholder relationships. From the relational

perspective, Ledingham (2003:193-194) argues that communication should be regarded as a strategic tool in the process of building and sustaining stakeholder relationships. He also calls for public relations practitioners to not only be trained in the area of communication management, but also in the domain of management concepts.

#### **4.3.12 Frooman's stakeholder influencing strategies (1999)**

Frooman (1999) provided a unique approach when he addressed stakeholder influence on the organisation from the stakeholder's perspective, rather than from management's perspective (Sachs & Rühli 2011:37). His study attempts to describe the means stakeholders would employ to obtain what they need from the organisation – an approach referred to him as stakeholder influencing strategies (Frooman 1999:191). This resonates with Calton and Kurland's (1995:154;164) argument that stakeholder literature had been focussing on managerial action and not stakeholder action and offers a postmodern theory of stakeholder enabling in which the organisation is decentred in order to "empower the voices of marginal groups..."

Frooman (1999:192) argues that the stakeholder theory up to this point, has been exploring how stakeholders and their interests should be "dealt with" (Freeman 1984:126) and has been done purely from the organisation's viewpoint. Nowhere has it been suggested how stakeholders manage organisations to achieve their interests.

Borrowing from the resource dependency theory, Frooman (1999:195) suggests that stakeholders may either directly or indirectly use or withhold the resources accessible to them in order to influence the organisation's behaviour. The resource dependency theory suggests that the extent to which stakeholders can exert power over an organisation in forcing their claims to be addressed, is in direct relation to the degree of the organisation's dependence on such stakeholders for resources (Pfeffer 1972:317; Salancik 1979:376; Friedman & Miles 2006:111). In other words, an organisation's dependence on a resource provides the owner/supplier of that resource opportunities for controlling the organisation either by withholding the resource (withholding strategy), or by supplying the resource, but with strings attached (usage strategy) (Frooman 1999:196-197). Withholding strategies could typically include

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employee strikes, consumer boycotts or the withdrawal of financial support by shareholders or donors. Usage strategies infer that stakeholders will continue their support, provided that certain conditions are met at a said deadline (Friedman & Miles 2006:112). These strategies could be executed either directly by stakeholders or indirectly through agents or intermediaries.

Frooman (1999:199) posits that the level of dependence of stakeholders and organisations on each other will determine the strategy (withholding or usage) and whether it will be employed directly or indirectly as graphically illustrated in Table 4.4.

**Table 4.4: Typology of resource relationship and influencing strategies**

|   |     | Is the stakeholder dependent on the organisation? |                                      |
|---|-----|---|--------------------------------------|
|   |     | NO  | YES                                  |
| Is the organisation dependent on the stakeholder? | NO  | Low interdependence<br>Indirect/withholding       | Organisation power<br>Indirect/usage |
|   | YES | Stakeholder power<br>Direct/withholding           | High interdependence<br>Direct/usage |

Source: Friedman and Miles (2006:111).

Table 4.4, for example, illustrates that the stakeholder will exercise a direct withholding strategy of resources should the stakeholder have power and not be dependent on the organisation.

Frooman (1999:2013) concludes by stating that it is imperative for managers to know how their stakeholders may react and try to influence the organisation. Although not stated explicitly, this argument emphasises researching stakeholder attitudes and perceptions continuously as a critical component of the stakeholder relationship management process.

From the discussion above it becomes clear that the stakeholder concept introduced by Freeman in 1984, received extraordinary attention in the years to follow, mostly by scholars in the domain of business and organisational theory, but also by communication scientists.

Table 4.5 summarises the historical development of stakeholder relationship management since its inception in 1984 until the late 1990s. It indicates whether the development could be regarded as a theory, an approach, a framework or a model, and whether it was done from a descriptive, instrumental or normative perspective. This Table indicates the development's stance on the role of management and communication in stakeholder relationship management and illustrates its link to the metamodern worldview of this study.

Table 4.5: Summary of the historical development of the stakeholder relationship management theory

| DATE | AUTHOR          | NAME                                    | TYPE   |          |           |       | THEO-RETICAL ORIENT-ATION |              |           | EXPLI-CITLY REFERS TO: |               | COMMENTS FROM A METAMODERN PERSPECTIVE  |
|------|-----------------|---|--------|----------|-----------|-------|---------------------------|--------------|-----------|------------------------|---------------|---|
|      |                 |   | Theory | Approach | Framework | Model | Descriptive               | Instrumental | Normative | Management             | Communication |   |
| 1984 | Freeman         | Stakeholder management framework (SMF)  |        |          |           | ü     |                           |              |           | YES                    | YES           | What started as a modernistic approach evolved into a metamodern approach where the stakeholder theory is seen as instrumental, descriptive and normative at the same time. |
| 1984 | Ferguson        | Relational paradigm of public relations |        |          |           | ü     |                           |              |           | YES                    | YES           | Moves towards a postmodern paradigm suggesting a novel way of approaching research in public relations.   |
| 1984 | Grunig and Hunt | The linkages model                      |        |          |           | ü     |                           |              |           | NO                     | YES           | Modernistic in nature as it is normative, explaining how organisations should identify stakeholders.  |

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| DATE | AUTHOR                           | NAME                                | TYPE   |          |           |       | THEO-RETICAL ORIENTA-TION |              |           | EXPLI-CITLY REFERS TO: |               | COMMENTS FROM A METAMODERN PERSPECTIVE  |
|------|----------------------------------|-------------------------------------|--------|----------|-----------|-------|---------------------------|--------------|-----------|------------------------|---------------|---|
|      |                                  |                                     | Theory | Approach | Framework | Model | Descriptive               | Instrumental | Normative | Management             | Communication |   |
| 1989 | Donaldson and Davis              | The stewardship theory              | ü      |          |           |       |                           |              |           | YES                    | NO            | A move towards postmodern thinking where it is argued that relationships create the individual.   |
| 1991 | Savage, Nix, Whitehead and Blair | Assessing and managing stakeholders | ü      |          |           |       |                           |              |           | NO                     | NO            | Although normative, is does allow for some flexibility in the sense that stakeholders' significance is dependable on situations and issues, and therefore flexible. |
| 1992 | Hill and Jones                   | The stakeholder-agency theory       | ü      |          |           |       |                           |              |           | YES                    | NO            | Modernistic in nature where managers, and by implication the organisation, control decision-making affecting stakeholders.  |

# CHAPTER 4: THE STAKEHOLDER RELATIONSHIP MANAGEMENT CONCEPT AND THE IMPLICATIONS FOR COMMUNICATION MANAGEMENT

| DATE | AUTHOR                | NAME  | TYPE   |          |           |       | THEO-RETICAL ORIENTA-TION |              |           | EXPLI-CITLY REFERS TO: |               | COMMENTS FROM A METAMODERN PERSPECTIVE   |
|------|-----------------------|---|--------|----------|-----------|-------|---------------------------|--------------|-----------|------------------------|---------------|--|
|      |                       |   | Theory | Approach | Framework | Model | Descriptive               | Instrumental | Normative | Management             | Communication |  |
| 1992 | Grunig                | The situational theory of publics   | ü      |          |           |       |                           |              |           | NO                     | YES           | Moves away from the modernistic focus on the organisation and management and endeavours to predict the communication behaviour of the stakeholder.   |
| 1995 | Donaldson and Preston | The descriptive, instrumental, and normative theory                             | ü      |          |           |       |                           |              |           | YES                    | NO            | Leans towards a modernistic paradigm in which managers remain responsible for an organisation's stakeholder relationship management efforts. It lacks any explicit guidance as to the role of other employees in the organisation. |
| 1995 | Clarkson              | Stakeholder framework for analysing and evaluating corporate social performance |        |          |           | ü     |                           |              |           | YES                    | NO            | Links to the stewardship theory with the argument that managers seem to understand social responsibility and accountability to stakeholders even without training on these issues.   |



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| DATE | AUTHOR                  | NAME                                    | TYPE   |          |           |       | THEO-RETICAL ORIENT-ATION |              |           | EXPLI-CITLY REFERS TO: |               | COMMENTS FROM A METAMODERN PERSPECTIVE   |
|------|-------------------------|---|--------|----------|-----------|-------|---------------------------|--------------|-----------|------------------------|---------------|--|
|      |                         |   | Theory | Approach | Framework | Model | Descriptive               | Instrumental | Normative | Management             | Communication |  |
| 1997 | Mitchell, Agle and Wood | Stakeholder identification and salience | ü      |          |           |       |                           |              |           | YES                    | NO            | Moves away from a modernistic view of one truth and admits in postmodern fashion that managers' perceptions of which stakeholders are salient, are subjective and not objective realities.   |
| 1998 | Ledingham and Bruning   | The relationship management theory      | ü      |          |           |       |                           |              |           | YES                    | YES           | Moving towards a more postmodern paradigm, Ledingham and Bruning argue that relationships are central to the communication function and that the communication function should be involved in strategic business planning processes. |
| 1999 | Frooman                 | Stakeholder influencing strategies      |        | ü        |           |       |                           |              |           | YES                    | NO            | Moves away from the modernistic approach in which managers are in control of stakeholders and should therefore deal with them and suggests that stakeholders are also in control of organisations.                                   |

Source: Researcher's own construct.

The stakeholder relationship management theories, approaches, frameworks and models discussed in the preceding section, represent the main themes found in the literature, but are not complete. The work of a few more theorists deserves mentioning since they brought unique perspectives to the stakeholder theory.

In their seminal work on project management, Briner, Geddes and Hastings (1990:20; Bourne 2009:40) focus on communication as an important aspect of successful stakeholder relationship management and refer to it as “wiring in” to stakeholders by looking upwards and outwards.

Jones (1995:404) offers an instrumental theory of stakeholder relationship management by combining concepts from stakeholder relationship management, economic theory, behavioural science and ethics, and argues that adhering to ethical principles could result in a substantial competitive advantage.

Using the social network constructs of density and centrality, Rowley (1997:887;907) constructs a network theory of stakeholder influences and argues that Freeman’s hub-and-spoke model for mapping stakeholders is too organisation-centric (Sachs & Munshi 2003:3). He posits that numerous interdependent interactions exist simultaneously in stakeholder environments. Not only are organisations embedded in these networks, but stakeholder networks are also tied to each other (Rowley 1997:890; Sachs & Munshi 2003:3; Friedman & Miles 2006:97). Thus, Rowley (1997:907) concludes that organisations “do not respond to each stakeholder individually, but instead must answer the simultaneous demands of multiple stakeholders”. In a later work, Freeman et al (2010:40) agree with Rowley when they conclude that stakeholder interests are tied together and that their stakes are connected and multifaceted.

Broom et al (1997) further developed the concept of a relational paradigm for public relations as suggested by Ferguson (1984) when they explicated the concept of relationship. Their main concern was the fact that the lack of a completely explicated definition of organisation-public relationships will limit theory building in public relations (Broom et al 1997:96). They suggest the definition (or summary as referred to by them) mentioned in section 4.2.3 namely that “organisation-public relationships are

represented by the patterns of interaction, transaction, exchange, and linkage between an organization and its publics” (Broom et al 2009:19).

Jones and Wicks (1999:206) suggest a convergent stakeholder theory as a means of unifying the two methods from which scholars mainly approach the stakeholder theory, namely social science and normative ethics. They argue that the existing forms of the stakeholder theory are incomplete without each other, and that their proposed convergent stakeholder theory, combining instrumental and normative elements, would serve the stakeholder theory better. They describe the convergent stakeholder theory as a “class of theories with specific characteristics” (Jones & Wicks 1999:217). Freeman (1999:235) did not hesitate to react to Jones and Wicks’ proposal of a convergent stakeholder theory and argues in favour of divergent stakeholder theories. In fact, he calls for more “narratives” that are divergent and not more theory that converges, and argues that there are many ways to be effective in stakeholder relationship management and more than one vision of how to create value for stakeholders (Freeman 1999:233;235). Treviño and Weaver (1999:224) were also quick to respond and argue that any one theory (such as the convergent theory proposed by Jones and Wicks) could not be “a class of theories”. They posit that they did not offer a convergent theory, but rather described how theorists converge by using different theories to describe and contribute to the understanding of stakeholder relationship management phenomena. They, thus, call for the convergence of theorists, rather than theory (Treviño & Weaver 1999:224). Friedman and Miles (2002:2) agree that integration is premature and that more work needs to be done before a single meaningful stakeholder framework could emerge.

The late 1990s and early 2000s saw the emergence of a number of stakeholder theories, frameworks and models, none of which are arguably completely original, but all of which combine various stakeholder approaches and business theories. The scope of this study does not allow for a detailed discussion of these developments, but they are summarised in Table 4.6.

**Table 4.6: Stakeholder relationship management theories, frameworks and models during the late 1990s and early 2000s**

| DATE | AUTHOR                  | NAME  | DESCRIPTION  |
|------|-------------------------|---|--|
| 1998 | Svendson                | A model for corporate-stakeholder relations | It provides a guide for building collaborative stakeholder relationships and suggests the organisation's mission, values and ethics as a foundation for relationship building.   |
| 2001 | Jawahar and McLaughlin  | An organisational life-cycle approach       | The resource dependency theory, prospect theory and organisational life-cycle models are combined to form a descriptive stakeholder theory, explaining why and when primary stakeholders are important and how managers allocated priority to them. Organisational needs vary as organisational life cycles change. Stakeholders who can fulfil those needs best, will receive the most attention.   |
| 2002 | Friedman and Miles      | The critical realist stakeholder theory     | It is based on a realist theory of social differentiation and moves the focus of stakeholder relationship management away from the organisation to the stakeholder, similar to Frooman's (1999) stakeholder influencing strategies. It aims to describe why different stakeholders influence organisations differently, why some stakeholders have more influence than others, why some are regarded as legitimate by organisations and how organisation-stakeholder relationships change over time. |
| 2002 | Post, Preston and Sachs | Stakeholder view                            | It places the organisation and management at the centre of stakeholder relationships. This paradigm integrates resource-based and industry focussed approaches with the social and political environment, and suggests that organisations should have consistent policies and practices for managing multiple stakeholder relationships and that the survival of an organisation   |

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| DATE | AUTHOR                | NAME   | DESCRIPTION  |
|------|-----------------------|--|--|
|      |                       |  | ultimately depends on its interactions with its network of stakeholders.   |
| 2003 | Rowley and Moldoveanu | Interest- and identity-based model of stakeholder group mobilisation | It challenges the notion that intensity or urgency is the primary condition motivating stakeholders to act. Borrowing from social movement and social identity theories, the authors propose a framework for predicting when stakeholders will act in conditions where either the interest or the identities of such stakeholder groups are the primary drivers or mobilisation.   |
| 2003 | Sachs and Munshi      | Relational stakeholder view  | It suggests that managers should use the stakeholder view as proposed by Post et al; (2002) and the concept of interrelatedness, rather than practising reactive damage control when dealing with stakeholders. This view places the organisation and management at the centre of stakeholder relationship management.   |
| 2006 | Rawlins               | Four-step process to prioritise stakeholders for public relations    | By combining Grunig's linkages model, Mitchell et al's identification and salience theory and Grunig's situational theory, Rawlins developed a four-step model for prioritising stakeholders. These steps are: <ul style="list-style-type: none"> <li>• Identify all potential stakeholders based on their linkages to the organisation</li> <li>• Prioritise these stakeholders by the attributes they possess (power, urgency, legitimate, dependency, support)</li> <li>• Prioritise further by situation (level of involvement, problem recognition and constraint recognition)</li> <li>• Prioritise lastly by communication strategy (priority, intervening or influential stakeholder)</li> </ul> |
| 2007 | Gregory               | Communication strategy typology                                      | Borrowing from Mitchell et al's identification and salience theory, Gregory presents a communication strategy based on a stakeholder's   |

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| DATE | AUTHOR   | NAME   | DESCRIPTION   |
|------|----------|--|---|
|      |          |  | level of power and interest in a situation. Four possible communication strategies are proposed namely: inform, consult, involve or partner with stakeholders. This typology is regarded as important for this study and explained in section 4.6 in more detail.   |
| 2009 | Bourne   | Stakeholder Circle <sup>®</sup> methodology                | Relying on the work of Savage et al, Mitchell et al, Briner et al and Frooman amongst other, Bourne developed the Stakeholder Circle <sup>®</sup> . This is a continual process of identification, prioritisation, engaging and developing of stakeholder relationships.  |
| 2009 | Fassin   | Stake model  | Using Freeman's original stakeholder map and Mitchell et al's stakeholder identification and salience theory, Fassin creates the stake model, differentiating between stakeholders, stakeholders and stakeholders.  |
| 2010 | Falconi  | Governance of stakeholders (GOREL)                         | Uses a generic scrapbook approach developed in the mid-1980s namely the governance of stakeholders (Known as GOREL). This is not a detailed methodology, but rather a practical day-to-day approach involving ten steps:<br><ol style="list-style-type: none"> <li>1. Envisioning</li> <li>2. Identifying and listening to active stakeholders</li> <li>3. Defining specific objectives</li> <li>4. Involving potential stakeholders</li> <li>5. Relating with issue influencers</li> <li>6. Convincing opinion leaders</li> <li>7. Content, channels and 'spaces'</li> <li>8. Pretest and the setting of communication and relationship objectives</li> <li>9. Content roll-out</li> <li>10. Evaluation and reset</li> </ol> |
| 2012 | Meintjes | A strategic communication approach to managing stakeholder | Focusses specifically on stakeholder relationship management, where the King III Report on Corporate Governance was utilised as foundation to develop a positioning   |

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| DATE | AUTHOR   | NAME  | DESCRIPTION   |
|------|----------|---|---|
|      |          | relationships according to the King Report on Corporate Governance  | framework and guidelines for stakeholder relationship management.   |
| 2012 | Slabbert | A strategic sequential, integrated, sustainable organisation-stakeholder relationship (SISOSR) model for building stakeholder partnerships: a corporate communication perspective | Addresses how to build organisation-stakeholder relationships through the proposition of a generic, integrated approach to sustainable organisation-stakeholder relationship (OSR) building with strategic stakeholders. She integrated strategic stakeholder identification, OSR development and OSR maintenance, in order to establish a new unified model. |

Source: Researcher's own construct conceptualised from Svendsen (1998); Jawahar and McLaughlin (2001); Friedman and Miles (2002); Post et al (2002); Rowley and Moldoveanu (2003); Sachs and Munshi (2003); Rawlins (2006); Gregory (2007); Bourne (2009); Fassin (2009); Falconi (2010); Meintjes (2012); Slabbert (2012)

Based on the discussion above, one can only concur with Mitchell et al (1997: 853; 871) when they argue that the stakeholder theory offers a “maddening variety” on how to identify stakeholders and that the broad concept of who a stakeholder is, and that an organisation can affect or be affected by basically anyone, is “bewilderingly complex” for managers to understand and apply.

#### **4.4 CRITIQUE OF THE STAKEHOLDER THEORY**

Stakeholder relationship management is widely accepted today and has become self-evident, yet as a theory it remains vague and has been criticised by numerous scholars (Broom et al 1997; Jones & Wicks 1999; Key 1999; Antonacopoulou & Méric 2005; Friedman & Miles 2006; Koschmann 2009; Laskin 2009; Mainardes et al 2011).

The main theme of criticism involves the stakeholder concept's claim to be a theory. Theory should be able to explain as well as predict and should represent a systematic

attempt to understand that which can be observed. It is argued that the stakeholder theory does not comply with these criteria (Key 1999:317).

Recognising Freeman's valuable groundwork for the development of the stakeholder concept as a theory, Key (1999:320) nonetheless criticises the stakeholder theory as envisaged by him, on four levels. Firstly, she argues, he offers processes such as stakeholder mapping, environmental scanning and exchanges with stakeholders, but does not explain these processes adequately. Freeman may imply it, but does not specify motivating forces such as profit, efficiency or legitimacy and therefore does not address the dynamics which links the organisation to identified stakeholders (Key 1999:321).

Key (1999:321) secondly posits that Freeman's stakeholder theory does not present a complete link between internal and external variables (or actors). She argues that he identifies internal and external stakeholders, but does not seem to consider the complexity of these linkages or stakeholder networks as suggested by Rowley (1997:887). She suggests that perhaps the interests represented by stakeholder groups should be identified, rather than identifying stakeholder groups as separate entities.

The third criticism proposed by Key (1999:322;323) is that Freeman's stakeholder theory addresses the environment in which an organisation operates, inadequately. According to her, Freeman suggests that the organisation has control over its environment (and by implication its stakeholders), but his model does not consider the different levels by which an organisation can be understood such as individual, organisational or societal. She argues that an organisation is surrounded in "unmanageable ways" by the system in which it operates.

Lastly, Key (1999:232) argues that Freeman's stakeholder theory assumes that the environment is static in nature. She posits that his view of the organisation at any given time is fixed, and blames the fact that processes and the system are not addressed properly for this shortcoming. She concludes that Freeman's model does not address changes that occur over time.



Mainardes et al (2011:242) concur with Key (1999) and question the theoretical mixture of the stakeholder theory. They argue that it does not outline theoretical boundaries clearly. According to them, the theory is therefore often represented incorrectly as a technique or in support of other theories.

The theorists mentioned above seemingly ignore Freeman's own declaration as early as 1994 that there is no single "stakeholder theory", but rather a number of possible stakeholder theories. He describes the stakeholder theory as a "genre of stories about how we could live" (Freeman 1994:413), as indicated earlier. Freeman posits that the stakeholder theory becomes a way of blending the concepts of business with those of ethics (Freeman 1994:409) and argues in favour of more divergent narratives and not more theory that converges. He believes that there are many ways to be effective in stakeholder relationship management and more than one vision of how to create value for stakeholders (Freeman 1999:233;235).

Theorists, albeit unintentionally, echo Freeman's view when they suggest that the stakeholder theory is not a scientific product, but rather more of an ideological concept (Antonacopoulou & Méric 2005:24;30; Mainardes et al 2011:239). They argue that the stakeholder theory is not value-free, but that what is at stake, is socially defined and based on the perceptions of the various role players and the interdependence between them.

Treviño and Weaver (1999:224), in disagreeing with Jones and Wicks' (1999) call for a convergent stakeholder theory, offer a solution to the predicament of the questionable status of the stakeholder theory as a *theory*. They argue that what is generally referred to as the *stakeholder theory*, should rather be seen as a *stakeholder research tradition*. According to them, this will allow researchers to use any relevant theory without having to focus on one grand theory – something that is evidently happening, considering that a variety of theories such as the stewardship, agency network and the realist theory (Donaldson & Davis 1989; Hill & Jones 1992; Rowley 1997; Friedman & Miles 2006) amongst others, have already been employed in describing stakeholder relationship management phenomena. Treviño and Weaver's (1999) suggestion also resonates with Freeman's (1994:413) view that the stakeholder

concept comprises of a number of stakeholder theories, except that they omit the word *stakeholder*.

The next line of criticism involves the lack of clarity as far as stakeholder terminology is concerned and it is argued that terms such as stakeholder management, stakeholder theory, stakeholder approach, stakeholder analysis and stakeholder model have been used confusingly in the literature (Fassin 2009:115).

Jones and Wicks (1999:206) refer to the stakeholder concept as vague, and argue that it provides insufficient guidance to the study and management of stakeholder relationships. In referring to the work of only five scholars published between 2004 and 2008, Mainardes et al (2011:228;242) came across 66 different concepts for the term stakeholder. They criticise the proliferations of definitions of the term *stakeholder*, and claim that these various definitions have resulted in different perceptions that theorists have of the term.

The lack of mutual understanding of the term *relationship* amongst scholars is also an area of concern. The definition of *relationship* is not clear or commonly accepted by communication management scholars (Laskin 2009:46) and there is little agreement on what precisely can be called a relationship (Broom et al 1997:84). Broom et al (1997:83) express discomfort about the absence of a definitive definition of *relationship* in public relations and argue that this prevents proper theory building in the domain of public relations.

Phillips, Freeman and Wicks (2003:483) address the misconceptions about and criticism of the stakeholder theory by illustrating what the stakeholder theory is not. They summarise other theorists' "critical distortions or friendly misinterpretations" of the stakeholder theory in the following manner:

**Table 4.7: Misconceptions about the stakeholder theory**

- The stakeholder theory provides an excuse for management to be overly optimistic.
- The stakeholder theory struggles to provide an adequately specific objective for the organisation.

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- The distribution of financial outputs is the primary concern of the stakeholder theory.
- All stakeholders must be treated equally.
- Current law should change in order to implement effective stakeholder relationship management.
- The stakeholder theory refers to the entire economy and can therefore be regarded as socialism.
- The stakeholder theory is a broad moral principle.
- The stakeholder theory is relevant to only corporations.

Source: Phillips et al (2003:483).

According to Phillips et al (2003:480-482) the stakeholder theory is simply a theory of organisational management and ethics which makes it distinct, since it explicitly addresses values and morals as central features in managing organisations. The subject of stakeholder relationship management and engagement has indeed been treated by academics mostly from a moral perspective, suggesting that the more organisations engage with their stakeholders the more responsible they are (Sloan 2006:27).

Friedman and Miles (2006:119) summarise some of the concerns when a shareholder's (or stockholder) focus is replaced by the stakeholder concept. The fears are that the stakeholder theory could be seen as weakening the fiduciary duty managers have to shareholders, the power of some stakeholder groups could be weakened, the organisation as a whole could be weakened, and the long-term characteristics of the capitalist system could be changed.

Koschmann (2009:9) offers another perspective when he acknowledges the value of the stakeholder theory framework, but questions its ability to explain 21st century organisational dynamics and interorganisational relationship complexities. In his argument to substantiate this claim, the author criticises the stakeholder theory on three levels: it places the organisation at the centre of stakeholder relationship management; it categorises stakeholders according to their role-based identities such as employees and suppliers; and it assumes that stakeholder groups are homogeneous (Koschmann 2009:9-17). Koschmann suggests combining the communicative theory of the firm (discussed in more detail in section 4.6) with the

stakeholder theory in order to address these shortcomings, and believes that this combination is better suited to create value and understand interorganisational relationships.

Freeman et al (2010:76) accept and join the criticism debate concerning the initial thinking about the stakeholder concept and concur that there were a number of weaknesses in Freeman's 1984 seminal publication. Nonetheless and in spite of the criticism, the stakeholder concept and what it represents, withstood the test of time and in 2010, Freeman et al (2010:76;88) published a work to address some of the inadequacies and misinterpretations in the stakeholder theory. Here the authors reiterate that they see the stakeholder theory as a framework and a group of theories representing a number of ideas.

This pragmatic view is also the paradigm for this study. It is argued that in modernistic fashion, there are some undisputable truths represented by the original stakeholder concept as envisaged by Freeman in 1984, namely that managers must understand the behaviour, values and social context of stakeholders and cannot ignore the effect their behaviour will have on stakeholders. At the same token and in postmodern fashion, it is also accepted that organisations are not in control of the environment and therefore not truly capable of "managing" stakeholders or the relationships with them. In line with the metamodern worldview of this study, it is thus argued that both scenarios described above will be true at different times, and that discussion about the stakeholder theory will oscillate between theory and a set of ideas representing different theories. In the same pragmatic fashion, the terminologies *stakeholder theory* and *stakeholder concept* will be used interchangeably in this study.

The next section will address organisational management's role in the practice of stakeholder relationship management.

#### **4.5 THE ROLE OF MANAGEMENT IN STAKEHOLDER RELATIONSHIP MANAGEMENT**

Freeman (1984:43) regards the stakeholder theory as "managerial, intimately connected with the practice of business and of value creation" and theorists agree that stakeholder relationship management is a management function (Savage et al 1991:61-62; Post et al 2002:25; Sachs & Rühli 2005:89; Slabbert 2012:10).

Stakeholder relationship management is concerned with the explicit management of all stakeholder relationships, whereas traditional management practices focus mostly on internal organisational issues. The turbulent and fundamental changes that occurred in business during the 1980s, left managers no choice but to seriously consider how to manage their relationships with stakeholders (Savage et al 1991:61;62). Managers can no longer be seen as only responsible for activities that will ensure a profit for the organisation, but must participate in activities that will render the organisation socially responsible and should thus seek ways to satisfy their key stakeholders (Savage et al 1991:62).

Mitchell et al (1997:878;882) posit that the salience of stakeholders is identified by managers based on the degree to which they give priority to stakeholder claims, and argue that managers must attend to power and urgency as stakeholder attributes in order to serve the legal and moral interests of legitimate stakeholders. Using a Mitroff (1983:xiii) analogy, it is posited that stakeholders all compete for a space in the manager's mind and Slabbert (2012:10) believes that managers are responsible for identifying an organisation's strategic stakeholders, arguably often from a subjective perspective.

Savage et al (1991:62) argue that stakeholder relationship management is common sense to some extent, and that managers do it intuitively. The authors do, however, also suggest that management should not only focus on dealing efficiently with a particular stakeholder issue, but should rather develop the organisation's competence for strategic stakeholder relationship management. This implies a scientific approach, rather than an intuitive one.

Post et al (2002:25) developed the *stakeholder view* paradigm which places the organisation and management at the centre of stakeholder relationships. This paradigm integrates resource-based and industry focussed approaches with the social and political environment, and suggests that organisations should have consistent policies and practices for managing multiple stakeholder relationships. The stakeholder view posits that long-term competitive advantages for the organisation and society are generated through favourable stakeholder relationships and that the survival of an organisation ultimately depends on its interactions with its network of stakeholders.

Building on the stakeholder view paradigm, Sachs and Rühli (2005:89) propose that managers' values should be changed towards a broader stakeholder orientation, and that managerial development programmes should be adjusted to include training and development pertaining to effective stakeholder relationship management. This will enable them to better implement the stakeholder view paradigm developed by Post et al (2002:6-28). Sachs and Rühli (2005:89-98) investigated how stakeholder-orientated incentives, rather than incentives based on shareholder values or stock prices, could challenge managers' values. They do not pursue the issue of management development programmes in their study, but Post et al (2002:22) posited earlier that stakeholder relationship management should be a core competency, since it is key to the effective implementation of stakeholder relationship management. They argue that the culture of an organisation should reflect a commitment to establishing and sustaining favourable relationships with all stakeholders, and that management should delegate the responsibility for specific stakeholder relationships to relevant units or individuals in the organisation. This resonates with Savage et al's (1991:62) suggestion that management should develop the organisation's competence for strategic stakeholder relationship management, and Halal's (2000:14) suggestion that organisations should regard stakeholders as partners and managers should collaborate with them to gain mutual benefit for the organisation and stakeholders.

Concurring with views of the theorists as discussed, it is argued that effective stakeholder relationship management should be process-driven and should be based on sound managerial development programmes. Advocating a process-driven approach within a system for stakeholder relationship management is in line with a

systems thinking paradigm, which is one of the foundational theories of this study. Katz and Kahn (1967:18) argued nearly 50 years ago that the systems theory is “basically concerned with problems of relationships, of structure, and of interdependence, rather than with the constant attributes of objects”. Savage et al (1991:62) argue that the systems theory focusses on an organisation’s connections. This perspective is supplemented and extended by the stakeholder relationship management approach since the latter addresses not only the organisation’s intentions, values and power, but also those of stakeholders. A systems perspective accepts that an organisation is part of a whole and not just constituent parts, and managers should understand how the organisation fits into the larger system of which it is part if they wish to identify and establish meaningful relationships with strategic stakeholders (Svendson 1998:79). *Understanding* again implies training and development, rather than intuitively guessing.

It is the contention of this study that an intuitive approach to stakeholder relationship management as opposed to a scientific approach, may largely be the reason for the failure (or lack) of stakeholder relationship management strategies in organisations. It is argued that stakeholder relationship management has become a scientific management concept and that managers need formal training in order to execute it well. This would include training specific to the stakeholder concept and theory, but also the development of skills such as listening, responding, environmental scanning, issues forecasting, negotiating and reporting on these issues in an open and transparent fashion (Post et al 2002:23).

However, in a postmodern fashion it is accepted that stakeholder relationship management is often common sense and done intuitively by managers. It is ultimately argued that a metamodern worldview reflecting a combination of systems-driven processes and developmental training programmes for managers (modernistic) combined with common sense and intuition (postmodern), would yield the most effective stakeholder relationship management strategies.

Considering theorists’ assertions that communication is the only tool to build relationships with stakeholders (Bourne 2009:203) and that “our communication behaviour is the very lifeblood of our relationships” (Knapp & Vangelisti 1992:24), the

next section will explore the link between communication management and stakeholder relationship management.

#### **4.6 THE ROLE OF COMMUNICATION MANAGEMENT IN STAKEHOLDER RELATIONSHIP MANAGEMENT**

The relational perspective is inherent to the practice of public *relations* and is evident in the conceptual definition of public relations as “the management function that establishes and maintains mutually beneficial relationships between an organization and the publics on whom its success or failure depends” (Cutlip, Center & Broom 1994:2). However, stakeholder relationship management only truly became a focus area for public relations scholars with the development of Grunig’s (1992) situational theory of publics and Ledingham and Bruning’s (1998) relationship management theory, specifically developed for the domain of public relations. Jo (2003:6) argues that Ledingham and Bruning (1998:62) extended the value of public relations from merely disseminating information into the more meaningful function of fostering quality relationships between an organisation and its publics with their definition of public relations as “the state that exists between an organisation and its key publics in which the actions of either entity impact the economic, social, political and/or cultural well-being of the other entity”. Furthermore, Grunig (1992:54) defines public relations as the “management of communication between an organisation and its publics”. The current definition of public relations adopted by the Public Relations Institute of Southern Africa (PRISA) quoted in Chapter 3, features the concepts of both relationships and stakeholders. It states that “public relations is the management through communication of perceptions and strategic *relationships* between an organisation and its internal and external *stakeholders*” [own emphasis] (PRISA 2016). There is thus no disagreement amongst scholars about the inevitable link between public relations and stakeholder relationship management. In fact, Luoma-Aho and Palovitta (2010:49) state that “stakeholder relationships is at the heart of corporate communications” and Grunig (2006:158) agrees that public relations as a strategic management function uses communication to cultivate relationships with stakeholders.



It was posited in Chapter 1 that the terms public relations, corporate communication and communication management are often used interchangeably by many scholars and organisations, but that *public relations* is arguably mostly used in academic literature to refer to the practice of corporate communication (Grunig 1992:4). Theorists like Steyn and Puth (2000:3) prefer the term *corporate communication* due to the negative perception surrounding public relations, mainly because of the unsatisfactory way it is being practised in many organisations. As explained in Chapter 1, the term *corporate*, however, is not relevant to non-profit organisations, and *communication management* or *communication science* will be used for with reference to the body of public relations knowledge.

In his seminal work introducing the stakeholder concept, Freeman (1984:167) addresses the communication management approach and argues that organisations rely on their communication management departments to communicate with stakeholders, but that the process mostly comprises information dissemination and is thus one-way. He states that for stakeholder communication to be successful, it should be two-way. This view, albeit unintentionally, resonates with the two-way symmetrical model of communication, one of the suppositions of the excellence theory which originated in 1985 (Grunig & Huang 2000:xi). Freeman believes that implicit negotiations with stakeholders, in which organisations rely on secondary data, rather than asking stakeholders directly, is less effective than explicit dialogues during which stakeholders are communicated to directly, and are allowed to communicate in response. He also argues that managers must understand stakeholders' positions and stakeholders must equally understand the organisation's position for stakeholder relationship management to be effective (Freeman 1984:167). This view illustrates the relevance of selecting integrated communication, the excellence theory and the mixed-motive model of two-way communication as significant theories for this study. The excellence theory argues that communication management adds value to the achievement of organisational goals when it supports symmetrical communication in an effort to build and nurture stakeholder relationships (Grunig 2006:158). Caywood (1997:xi) argues that the role of communication management is to build relationships and *integrate* relationships between an organisation and its stakeholders, and it is argued here that the integration of relationships is not possible if communication is fragmented. Ledingham (2003:183) is of the opinion that the concept of relationship

management complies with the principles contained in the systems theory, as well as the two-way symmetrical communication model.

Ledingham and Bruning (1998:56) call for public relations (their terminology) to be viewed as relationship management and argue that the relational view of public relations conceptualises the discipline into a management function using communication strategically, as opposed to the traditional view of public relations as merely a communication activity. They concur with Freeman (1984) that communication with stakeholders should be a two-way process during which organisations should not only focus on their relationships with stakeholders, but also communicate to stakeholders the activities or programmes aimed at building organisation-stakeholder relationships (Ledingham & Bruning 1998:63). Such communication efforts should be based on an integrated communication strategy, since integrated communication increases the brand value of an organisation by strengthening relationships (Schultz 1998:20; Niemann 2005:63).

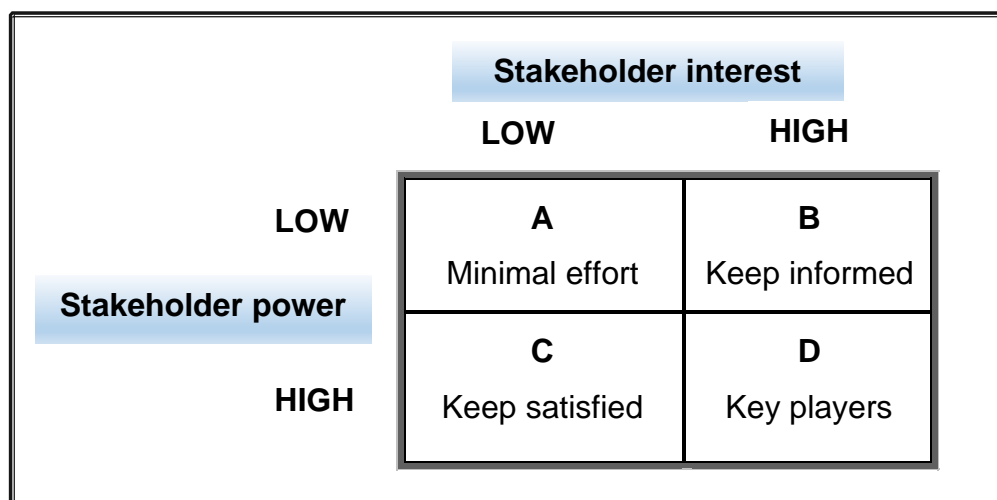
Theorists thus concur that communication management is a relational management function and that it should be based on integrated, two-way communication principles. This view supports previous arguments that the communication specialist in an organisation should operate at a managerial level and is accountable for the outcome of communication programmes (Steyn & Puth 2000:5). Hill and Jones (1992:134) argue that managers are the only group in an organisation who have relationships with all stakeholders by virtue of the contracts into which they enter with them. It could, however, be argued that the communication management function, apart from management, is the only other function that interacts with all the stakeholders of an organisation, since it facilitates communication between the organisation and all its stakeholders (Meintjes 2012:81).

Ferguson (1984:216-237) suggests a stakeholder management structure for organisations in which each functional unit, business unit or division would appoint a stakeholder manager responsible for a specific group of stakeholders. She argues that the communication manager (or external affairs manager as she refers to them) should fulfil a boundary spanning role, identify current and new issues, and feed this information to stakeholder managers in the relevant functional units. According to her,

the involvement of divisional stakeholder managers is important, since a communication manager might be able to negotiate with stakeholders, but will seldom have the authority to make decisions on behalf of functional units. Gregory (2007:70) concurs and states that communication managers are responsible for gathering internal and external information and intelligence and presenting it to the organisation's managers.

Ferguson's suggestion has far-reaching implications for organisations. It expects total integration of the stakeholder relationship management function in the organisation, as well as a high level of knowledge about the stakeholder concept amongst at least all the functional managers, if not all employees who deal with stakeholders.

Although the importance of communication is accepted and implied in the concept of stakeholder relationship management, actual proposed communication strategies and techniques are difficult to find. Communication is not completely omitted, but is largely ignored as a fundamental issue in stakeholder literature (Koschmann 2007:1). Gregory (2007:66-67) is one of the few theorists who suggests a communication strategy typology once stakeholders have been identified and categorised. Building on Mitchell et al's (1997) theory of stakeholder identification and salience, she uses Mendelow's (1991) simplified power/interest matrix (omitting urgency), also suggested by Johnson and Scholes (2002:208-215), to propose a communication strategy typology as illustrated in Figure 4.4.



**Figure 4.4: Stakeholders categorised according to the power/interest matrix**

Source: Mendelow (1991); Johnson and Scholes (2002:208); Gregory (2007:8).

Stakeholder involvement depends on the level of interest and/or power in a specific issue and Gregory (2007:8) suggests that communication should become more focussed and individualised, the more involved stakeholders become. A stakeholder's influence increases incrementally as his or her power and interests increase. Campbell (2008:46) illustrates the equation as *Influence = Power x Interest*. The lower the level of interest and power, the less effort needs to be made with such a stakeholder since the likelihood to influence or make a difference is low, and vice versa.

The actions of stakeholders with the most power and interest have the ability to affect the organisation (or influence the outcome) and attention should be given to stakeholders according to their position on the power/interest matrix (Johnson & Scholes 2002:208; Gregory 2007:65). Based on the argument above, Gregory (2007:66) developed a communication strategy typology which is contextualised in Figure 4.5.

|                   |      | Stakeholder interest  |   |
|-------------------|------|---|---|
|                   |      | LOW   | HIGH  |
| Stakeholder power | LOW  | <b>Inform</b> <ul style="list-style-type: none"> <li>One-way information dissemination.</li> <li>Provide mechanism for feedback.</li> <li>Mass communication probably appropriate.</li> </ul>   | <b>Consult</b> <ul style="list-style-type: none"> <li>Need for dialogue, listening and active response.</li> <li>Keep fully informed since they may move into high power category which will ultimately imply partnering with them.</li> <li>Two-way channels are essential.</li> </ul>                 |
|                   | HIGH | <b>Involve</b> <ul style="list-style-type: none"> <li>More collaboration and fuller engagement.</li> <li>Because of low interest, some stakeholders in this category may not want to become involved.</li> <li>Respect stakeholder's wish not to become too involved.</li> <li>Use tactics that encourage two-way communication.</li> </ul> | <b>Partner</b> <ul style="list-style-type: none"> <li>Full engagement and open dialogue.</li> <li>Build relationships on respect and equality.</li> <li>These stakeholders can make a significant contribution.</li> <li>Full two-way communication to encourage dialogue and a team spirit.</li> </ul> |

**Figure 4.5: Communication strategy typology**

Source: Researcher's own construct conceptualised from Gregory (2007:66-67).

#### CHAPTER 4: THE STAKEHOLDER RELATIONSHIP MANAGEMENT CONCEPT AND THE IMPLICATIONS FOR COMMUNICATION MANAGEMENT

Gregory's communication strategy typology resonates with Savage et al's (1991), accessing and managing stakeholders' strategy (as discussed in section 4.3.5) in which they classify stakeholders into four types based on their potential organisational threat and potential for cooperation with an organisation. Savage et al (1991) do not suggest communication strategies, but strategies to *deal* with different categories of stakeholders. However, Gregory's suggestions demonstrate a strong resemblance to Savage et al's (1991) as illustrated in Table 4.8.

**Table 4.8: Comparing Savage et al's (1991) accessing and managing strategy with Gregory's (2007) communication strategy**

| SAVAGE ET AL'S ACCESSING AND MANAGING STRATEGY                      | GREGORY'S COMMUNICATION STRATEGY                            |
|---|---|
| <b>Monitor</b><br>Low potential for cooperation<br>Low threat       | <b>Inform</b><br>Low power groups<br>Low interest groups    |
| <b>Defend</b><br>Low potential for cooperation<br>High threat       | <b>Consult</b><br>Low power groups<br>High interest groups  |
| <b>Involve</b><br>High potential for cooperation<br>Low threat      | <b>Involve</b><br>High power groups<br>Low interest groups  |
| <b>Collaborate</b><br>High potential for cooperation<br>High threat | <b>Partner</b><br>High power groups<br>High interest groups |

Source: Researcher's own construct conceptualised from Savage et al (1991); Gregory (2007).

From the preceding discussion, it is clear that all stakeholders are important and should be defined and categorised, but all stakeholders do not constantly deserve an equal amount of energy and time. Mainardes et al (2011:240) argue that Freeman's original simplified hub-and-spoke graphical representation of stakeholder identification may have led to the incorrect understanding that organisations should take the aspirations of all stakeholders constantly into account. However, subsequent developments of the stakeholder concept illustrated that the level of attention to stakeholders may vary and how much attention they should receive, could for example be determined by their position on the power/interest matrix. This in turn will determine the communication strategy applicable to them at that point in time. This process

addresses the degree of stakeholder involvement as well as the role of communication management, and is arguably a valuable tool for managers who are uncertain about which stakeholders are important at what point in time, and how to communicate to them.

Koschmann, Pfarrer and Kuhn (2009:3) employ the communicative theory of the firm (CTF) to research and explain the nature of stakeholder connections in interorganisational relationships. The CTF holds that organisations are in essence communication constructions (Kuhn 2008:1231). In other words, they do not communicate, they *are* communication and therefore represent a collection of negotiations, agreements, conflicts and relationships (Koschmann et al 2009:14). The CTF is concerned with how organisations use text and conversations to generate consent amongst stakeholders (Kuhn 2008:1239), and differs in this respect from the instrumental view of stakeholders which focusses on governance and competence approaches (Koschmann et al 2009:15).

Koschmann et al (2009:16) combine the stakeholder theory and the CTF in order to obtain a better understanding of interorganisational-relationships. It is posited here that the CTF could equally be used to study *all* stakeholder-organisational relationship phenomena, and not only interorganisational relationships. Koschmann et al (2009:22) actually confirm this when they state that a “CTF perspective on stakeholder relationships de-centres the notion of a focal organisation and locates firms within an interconnected network of stakeholder relationships” – thus all stakeholder relationships and not only those between organisations. Koschmann et al (2009:17) argue that organisations are “constituted and known *by and through* their relationships with other stakeholders”. They believe that a combination of the CTF and the stakeholder theory addresses the critique against the stakeholder theory, namely that it places the organisation in the centre of stakeholder relationships, that it uses role-based identities to classify stakeholders, and that it assumes that stakeholder groups are homogenous. According to the authors, combining the CTF and the stakeholder theory results in the following outcomes: organisations focus more on relationship building and mutual understanding when they realise that they are not the focal hub, but rather part of a decentralised network of many stakeholder groups; that stakeholders are not classified based on their role-based identities – an employee may

also be a union member or a client or even a shareholder; it confirms that members within a stakeholder group are not homogenous, but that there may be important differences between members of the same stakeholder group (Koschmann et al 2009:9-19).

Koschmann et al's field of study is organisational communication and not communication management (corporate communication or public relations). Organisational communication in the strict sense does not fall within the scope of this study, but it is argued that a CTF view holds specific challenges not only for communication management specialists, but for management in general. If organisations *are* communication, all employees in an organisation *are* communication and everything they do (or do not do) forms part of a social and interactive process in which stakeholder relationships are either built and nurtured, or conversely destroyed.

The traditional communication management (or public relations) definitions mentioned at the start of this discussion, imply that it is the responsibility of the communication management department and specialists to *manage* communication with stakeholders in order to build mutually beneficial relationships between them and the organisation. This view is problematic if one adopts a CTF view of stakeholder relationship management in which it is posited that the organisation and its employees communicate constantly, whether intentionally or unintentionally - a process that makes the management of communication by one department an impossibility. It is thus argued that the role of communication management should rather be to *empower* an organisation and its employees to communicate effectively with all stakeholders in order to build relationships with them. This reiterates the view that communication specialists should be involved in business strategy development, and that communication strategies (and thus stakeholder relationship management strategies) should be driven by business strategies (Argenti, Howell & Beck 2005:84). Steyn (2007:40) agrees that communication strategies should support the organisation's strategic goals and argues that it is the role of communication management specialists to counsel organisational executives on their communication responsibilities.

This perspective holds particular challenges for the NPO sector in South Africa with its apparent lack of professional communication specialists. What is obvious however, is that the relevance and importance of communication in building stakeholder relationships, are not questioned by scholars and theorists alike.

It becomes clear from the forgoing discussion that a wide variety of approaches and techniques pertaining to the implementation of the stakeholder concept and stakeholder relationship management strategies exists and that it could be done from either a modern or postmodern or a combination of both paradigms, as illustrated in the next section.

#### **4.7 STAKEHOLDER RELATIONSHIP MANAGEMENT FROM A METAMODERN PERSPECTIVE**

Postmodernists' rejection of grand theories and absolute standards and their critique against traditionally-used communication theories as modernistic and outdated, are arguably also true for the stakeholder concept as originally envisaged by Freeman in 1984. However, subsequent developments of the stakeholder concept have illustrated a move to more postmodern approaches and often a combination of both approaches. Theorists have used a number of relevant theories without focussing on one grand theory to research and explain stakeholder relationship management phenomena (Donaldson & Davis 1989; Hill & Jones 1992; Rowley 1997; Friedman & Miles 2006) and it has been suggested that what is generally referred to as *stakeholder theory*, should rather be seen as a *stakeholder research tradition*, giving researchers more freedom to move away from one grand theory (Treviño & Weaver 1999:224).

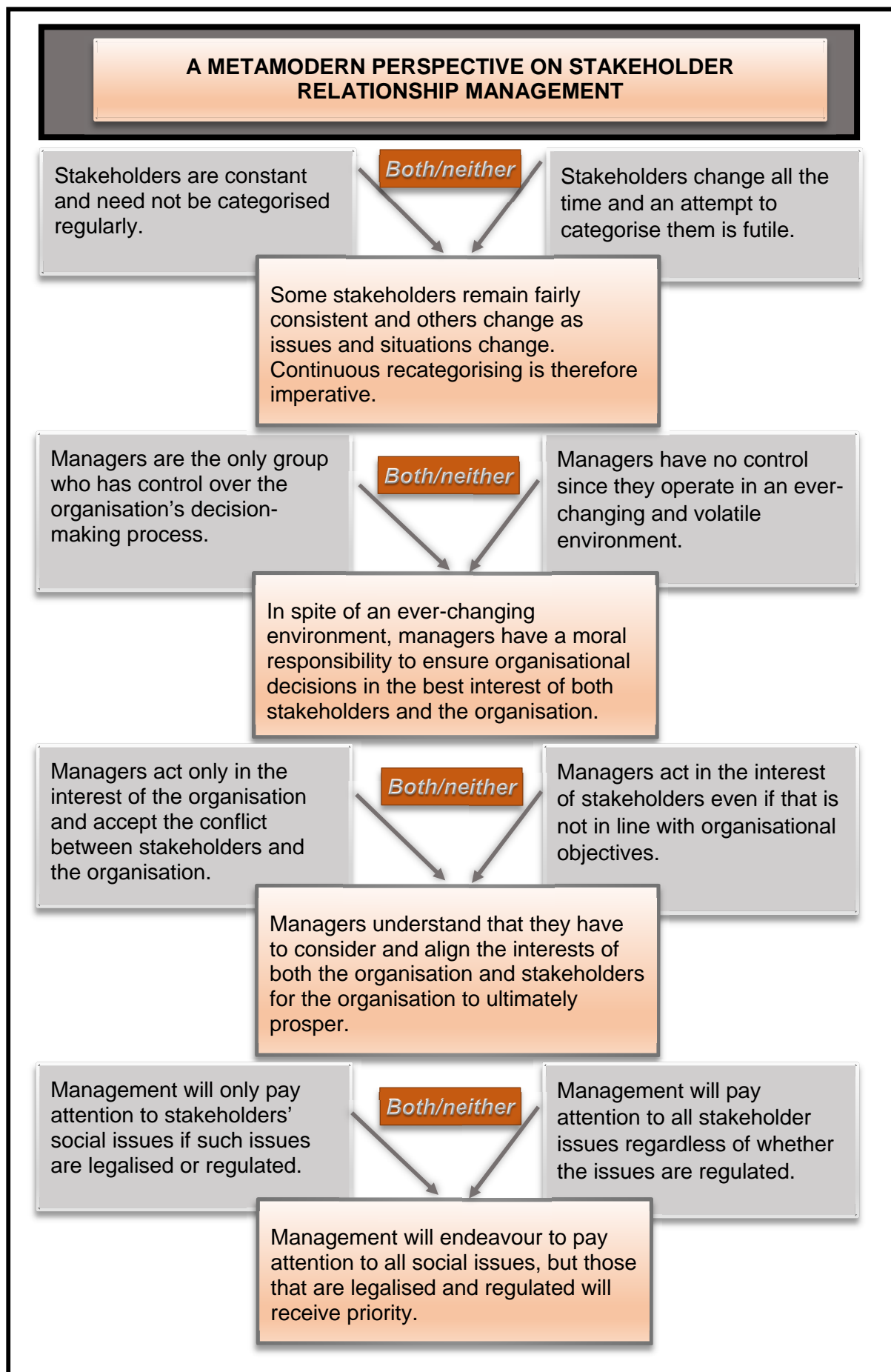
Following a specific stakeholder relationship management approach will depend on an organisation's culture and its managers' worldviews as a result of it. It is posited that both modern and postmodern worldviews are present in South African organisations, although South African brand leaders operate mostly from a modernist paradigm (Holtzhausen 2000:93-95; Shapiro 2013:99).

Based on the discussion above, it is argued that both modernism and postmodernism worldviews have value and relevance to stakeholder relationship management

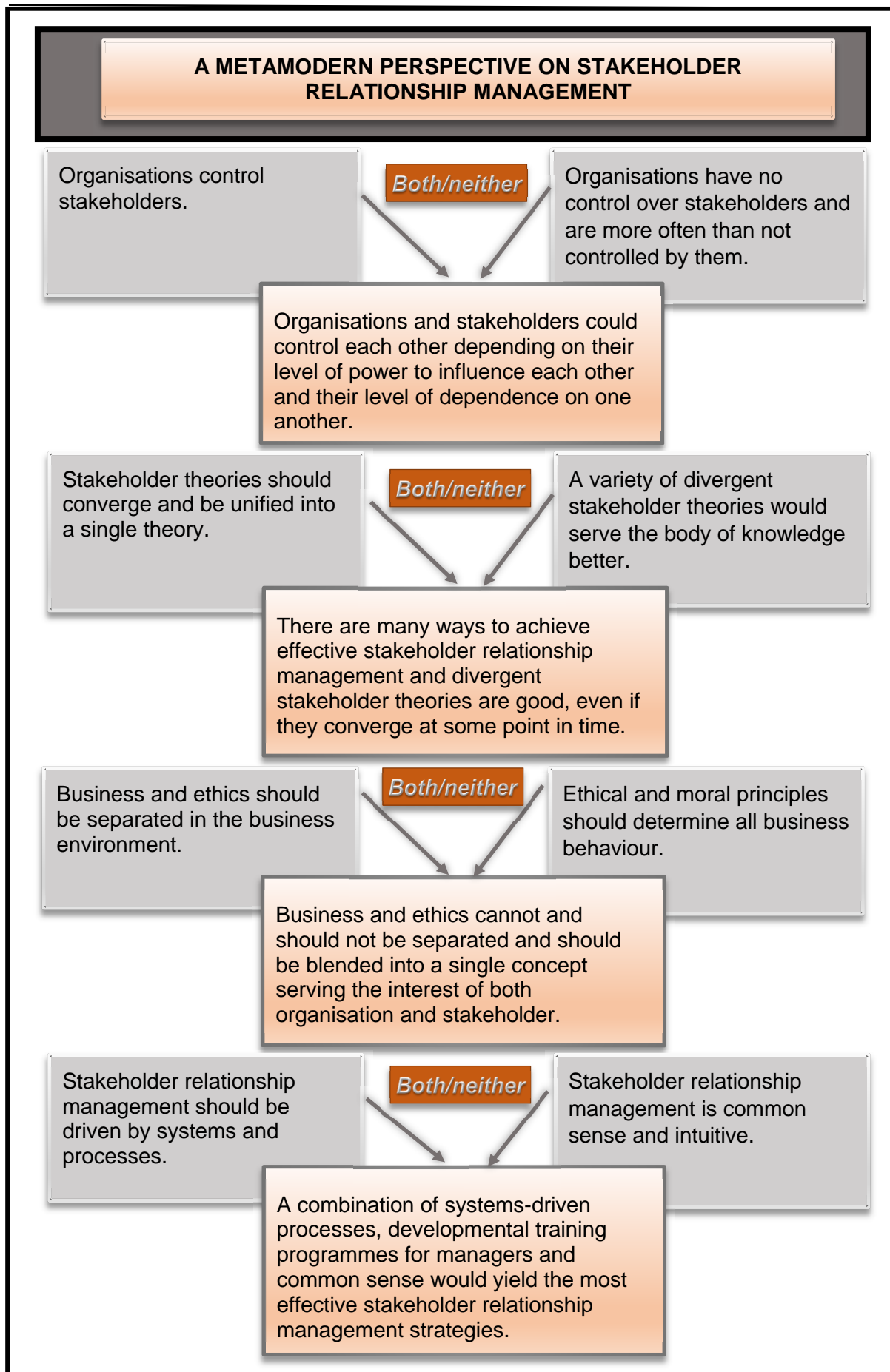


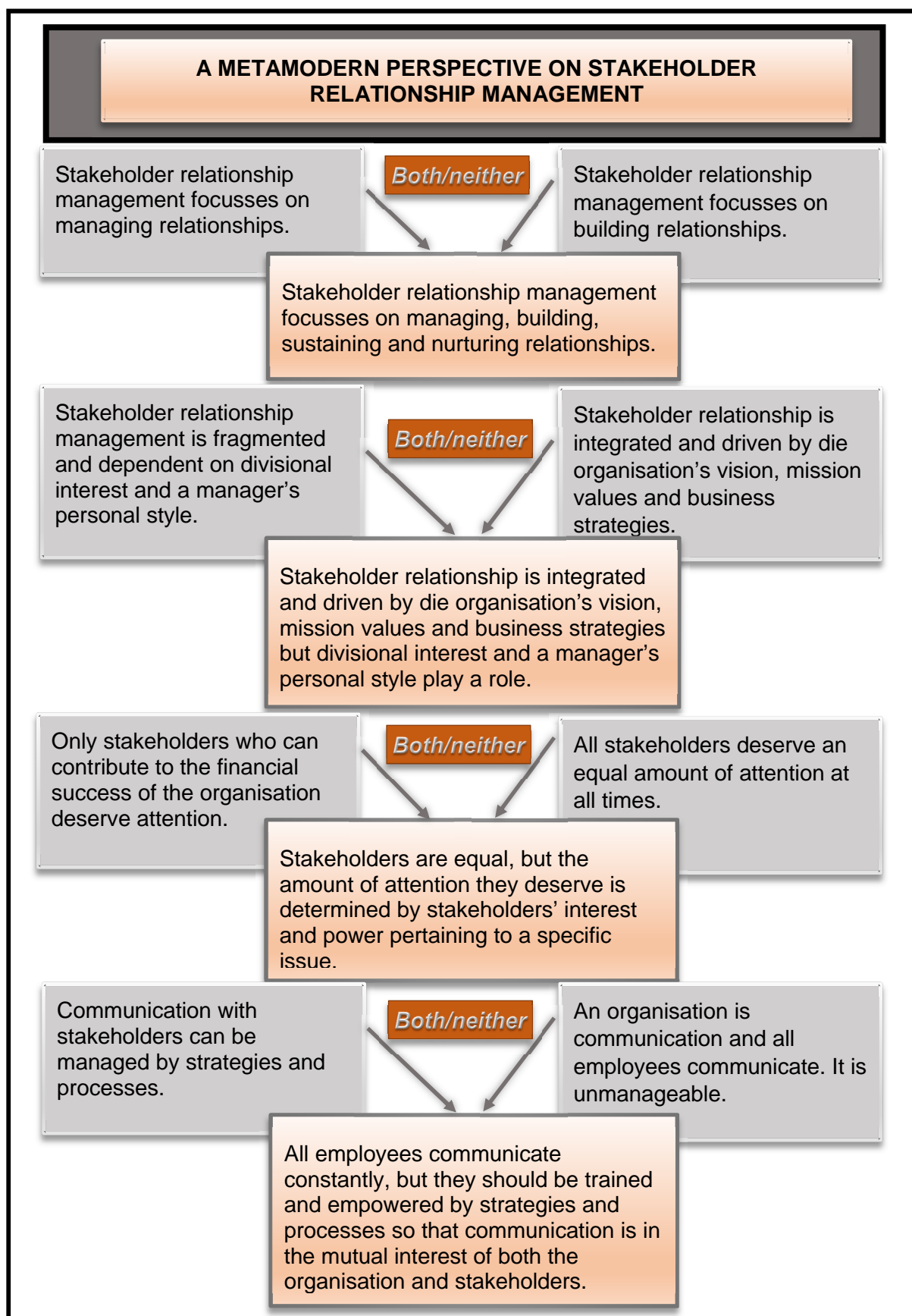
practices. Stakeholder relationship management will thus be described from a metamodern approach, honouring the claims of both modernism and postmodernism.

The syntheses between modernism and postmodernism in stakeholder relationship management approaches by adopting a metamodern worldview is illustrated in Figure 4.6.



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**Figure 4.6: A metamodern perspective on stakeholder relationship management**

Source: Researcher's own construct.

## **4.8 CONCLUSION**

This chapter contextualised the origin and development of the stakeholder concept within a metamodern worldview. It discussed the seminal works following Freeman's introduction of the stakeholder concept and illustrated the subsequent combination of approaches thereafter. The important and undeniable role of not only managers, but also of communication management specialists in stakeholder relationship management was illustrated. It concluded with the argument that stakeholder relationship management has become a scientific discipline and that both management and communication management specialists need formal training in the concepts of the stakeholder theory in order to design and implement effective stakeholder relationship management strategies. Not only is stakeholder relationship management understood and practised in different ways in South Africa, but communication management specialists have only a basic understanding of governance issues and its relevance to stakeholder relationship management, despite the fact that they understand the importance of their roles in assisting organisations with their stakeholder relationship management practises.

From the literature review it became evident that stakeholder relationship management theorists agree that it is a management function, but that very few of them elaborate on the parallels between stakeholder relationship management and communication management. Communication management specialists have long been recognising the relevance of relationship building in the discipline of communication science, but stakeholder theorists base their research on virtually any theory, but the theory of public relations.

Despite all the developments, most of stakeholder research and debate still focus almost exclusively on corporates, ignoring and neglecting sectors like the non-profit sector. The fact that the King IV Report on Corporate Governance now includes a supplement addressing the NPO sector specifically, is an indication that NPOs represent an important sector for the development of future stakeholder relationship management research, which highlights the unique contribution of this study.

The next chapter will investigate the NPO sector with reference to specific practices in the South African environment. Taking cognisance of both the developments of the stakeholder concept as discussed in this chapter, as well as the current situation in the South African NPO sector, a conceptual framework for stakeholder relationship management in NPOs will be presented. Bearing in mind that the stakeholder theory is more of an ideological concept than a scientific product and recognising that what is at stake is socially defined and based on the perceptions of the various role players and the interdependence between them, this will all be done from a metamodern worldview.

CHAPTER  
5

TOWARDS A CONCEPTUAL METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT  
FRAMEWORK FOR NON-PROFIT ORGANISATIONS

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*NPOs' task of measuring success and demonstrating effectiveness  
does not come from crunching numbers, but rather communicating with key  
stakeholders and creating shared meanings.*

(Koschmann 2007:22)

## 5.1 INTRODUCTION

The non-profit sector in South Africa, consisting of non-profit organisations (NPOs), non-profit companies (NPCs), public-benefit organisations (PBOs), trusts or any association of persons established in terms of a constitution, plays an important role in addressing the needs of vulnerable groups and communities. It also includes a variety of civil society organisations collectively referred to as non-governmental organisations (NGOs), community based organisation (CBOs) and faith based organisation (FBOs) (South Africa, Department of Social Development 2013:5).

This chapter will endeavour to define *non-profit organisations (NPOs)* in the South African context and will present an overview of the current state of NPOs in South Africa, including a review of the codes governing this sector. It will illustrate the importance of stakeholder relationship strategies as a governing principle for NPOs by means of the King III Report on Corporate Governance, as well as the King IV Report on Corporate Governance with their inclusion supplements aimed at the NPO sector.

Taking cognisance of the developments of the stakeholder concept as discussed in the previous chapter and the current situation in South African NPOs, a selection of stakeholder relationship management approaches suitable for South African NPOs will then be made.

Finally, drawing from the literature review in the foregoing chapters and the provisional discoveries pertaining to the NPO sector in South Africa as discussed in this chapter,

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a conceptual framework for stakeholder relationship management for NPOs will be suggested.

The structure of this chapter, which is the last chapter of phase one of the study (as indicated in Figure 1.1 in Chapter 1), is illustrated in Table 5.1

**Table 5.1: The structure of Chapter 5**

| TOPIC   | DISCUSSION   |
|---|--|
| Defining key concepts relevant to the South African non-profit sector   | <ul style="list-style-type: none"> <li>Justifying a selection of NPO-related terminologies relevant to this study.</li> </ul>  |
| An overview of the non-profit sector in South Africa  | <ul style="list-style-type: none"> <li>Exploring the current issues facing the NPO sector in South Africa.</li> </ul>  |
| Relevant governance codes for South African non-profit organisations  | <ul style="list-style-type: none"> <li>Providing an overview of the governance codes guiding the South African NPO sector, including the King III and King IV Reports on Corporate Governance.</li> </ul>  |
| The non-profit organisations' governance codes and stakeholder relationship management governing principles                               | <ul style="list-style-type: none"> <li>Illustrating the lack of reference to stakeholder relationship management as a governing principle in the existing South African NPO governing codes.</li> </ul>  |
| Stakeholder relationship management in the non-profit sector  | <ul style="list-style-type: none"> <li>Discussing the fragmented application of the stakeholder concept by the NPO sector.</li> </ul>  |
| The role of relational antecedents, relational outcomes and relationship management strategies in NPO stakeholder relationship management | <ul style="list-style-type: none"> <li>Illustrating that NPOs should understand their stakeholders and the relevant antecedents and should decide on desirable relational outcomes before embarking on a stakeholder relationship maintenance strategy.</li> </ul> |
| A selection of stakeholder relationship management approaches suitable for South African NPOs   | <ul style="list-style-type: none"> <li>Suggesting a selection of suitable stakeholder relationship management approaches based on the literature review pertaining to the stakeholder concept and the NPO sector in South Africa.</li> </ul>                       |
| A metamodern conceptual framework for stakeholder relationship management for the South African non-profit sector                         | <ul style="list-style-type: none"> <li>Proposing a metamodern framework consisting of four stages, all guided by set principles and embedded in the metamodern worldview of this study.</li> </ul>   |



## 5.2 DEFINING KEY CONCEPTS RELEVANT TO THE NON-PROFIT SECTOR

The terminologies *non-profit organisations* (NPOs) and *non-profit institutions* (NPI) are seemingly used interchangeably by the non-profit sector in South Africa. Add to that the usage of terminologies such as non-profit companies (NPCs), public-benefit organisations (PBOs), non-governmental organisations (NGOs), community-based organisations (CBOs) and faith-based organisations (FBOs), it becomes clear why much confusion surrounds the distinction between these terminologies (Lovells 2015).

Statistics South Africa compiled a document called the *South African Non-Profit Institutions Classifications (SANPIC) 2013*. The purpose of this document was to provide a national framework for the identification of South African non-profit organisations in such a manner that it is comparable with international non-profit classifications (Statistics South Africa 2014). In this document they refer to *non-profit institutions* and not *non-profit organisations* as they do in a document providing the statistics of the non-profit sector for South African (Statistics South Africa 2015). They declare that *non-profit institutions* include “cultural and sports clubs, social services NPIs, schools, hospitals and clinics, churches, environmental NPIs, trade unions, political parties, non-governmental organisations (NGOs), fundraising organisations, charitable trusts, etc”. (Statistics South Africa 2015:24). Their definition of what constitutes a *non-profit institution*, is however, directly derived from the Nonprofit Organisation Act 71 of 1997 (South Africa, Government Gazette 1997:2) which states that *non-profit organisations* are:

... defined as a trust, company or other association of persons established for a public purpose and of which its income and property are not distributable to its members or office bearers except as reasonable compensation for services rendered.

A review of the literature reveals that *non-profit organisations* appear to be the most popular terminology in South Africa since it is found in the majority of documents referring to the South African non-profit sector. The *Nonprofit Organisations Act 71 of 1997* specifically defines and refers to NPOs (South Africa, Government Gazette 1997:2). The governance guidelines for NPOs produced by the South African NGO Coalition (SANGOCO), namely the *Code of Ethics for Non-profit Organisations (1997)*

(Sangonet Pulse 2003) and the *Code of Good Practice for South African Non-profit Organisations (2001)* issued by the South African Department of Social Development (South Africa Department of Social Development 2001) both use *non-profit organisations* as the preferred terminology.

The King Committee also uses *non-profit organisations* when referring to this sector. This terminology appears in *Practice Notes: A guide to the application of King III for Non-profit Organisations* produced as a supplement to the King III Report on Corporate Governance (IoDSA 2013), as well as in a supplement to the King IV Report on Corporate Governance named *Supplement for non-profit organisations* produced in 2016 (IoDSA 2016b). The *Independent Code of Governance for Non-Profit Organisations in South Africa* produced in 2012 (under the guidance of Inyathelo: The South African Institute for Advancement) in reaction to the King III Report on Corporate Governance, also refers to *non-profit organisations* (Gastrow 2014).

According to Swilling and Russel (2002:6), the term *non-profit organisations* did not exist in the South African non-profit sector in the 1980s and early 1990 and was only coined in the mid-1990s. Policymakers and key role players settled on *non-profit organisations* as a depoliticised term that moved beyond the non-governmental organisations (NGOs) and community based organisations (CBOs) discussion.

In the interest of clarity a brief summary of the various terminologies found in the South Africa non-profit sector is provided in Table 5.2.

**Table 5.2: Non-profit sector terminology**

| TERMINOLOGY                     | EXPLANATION  |
|---------------------------------|--|
| Non-profit organisations (NPOs) | <ul style="list-style-type: none"> <li>• Non-profit organisations (NPOs) register with the South African Department of Social Development (DSD).</li> <li>• They are defined and governed by the Non-Profit Organisations Act 71 of 1997 (as amended).</li> <li>• They are managed by a board of directors or a management committee.</li> <li>• They could also register as an NPC and/or a PBO.</li> </ul> |

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MANAGEMENT FRAMEWORK FOR NON-PROFIT ORGANISATIONS**

| TERMINOLOGY   | EXPLANATION   |
|---|---|
| Non-profit companies (NPCs)<br>Known as Section 21 companies prior to 1 March 2011.   | <ul style="list-style-type: none"> <li>• Non-profit companies (NPCs) register with the Companies and Intellectual Properties Commission (CIPC).</li> <li>• They are defined and governed by the Companies Act 71 of 2008.</li> <li>• Section 21 Companies are now referred to as NPCs after the introduction of the new Companies Act 71 of 2008.</li> <li>• They are managed by a board of directors or a management committee.</li> <li>• They could also register as an NPO and/or a PBO.</li> </ul> |
| Public-benefit companies (PBOs)   | <ul style="list-style-type: none"> <li>• Public-benefit companies (PBOs) register with the South African Receiver of Revenue (SARS).</li> <li>• They are defined by the Income Tax Act 58 of 1962 (as amended).</li> <li>• They receive an exempt from tax status from SARS.</li> <li>• They could have tax exemption under Section 30 or under Section 18A where both donor and donation are exempt from tax.</li> <li>• They could also register as an NPO and/or an NPC.</li> </ul>                  |
| Trusts  | <ul style="list-style-type: none"> <li>• Trusts are defined and governed by the Trust Property Control Act 57 of 1988.</li> <li>• They are managed by trustees.</li> <li>• They could also register as an NPO and/or a PBO.</li> </ul>  |
| Association of persons established in terms of a constitution.<br>Community-based organisations (CBOs), faith-based organisations (FBOs), non-governmental organisations (NGOs) | <ul style="list-style-type: none"> <li>• These entities could be registered as NPOs, NPCs, PBOs and/or trusts and would then have to comply with the specifications as set out above.</li> <li>• Many of them are not registered at all.</li> </ul>   |

Source: Researcher's own construct conceptualised from Lovells (2015); De Villiers and Carvallo [sa:2-6].

Any of these institutions may register as either an NPO, NPC, a PBO, any two, or all three of these entities and could therefore appear as a registered institution at the South African Department of Social Development (DSD), the Companies and

Intellectual Properties Commission (CIPC), the South African Revenue Services (SARS), any two, or all three of these bodies. Strictly speaking, all these entities form part of *civil society* which could arguably be regarded as the most appropriate terminology.

However, in line with what is being used in the industry and to simplify matters, the terminology *non-profit organisations (NPOs)* will be used by this study, with reference to entities in the non-profit sector as they appear in Table 5.2. The definition of *NPOs* as adopted by the Nonprofit Organisation Act 71 of 1997 makes provision for organisations that have been registered in terms of the Trust Property Controls Act 57 of 1988 as amended (Nonprofit Trusts), the Companies Act 71 of 2008 (Nonprofit companies) or in terms of common law (voluntary associations) (South Africa Department of Social Development 2015:7), and is regarded as the most appropriate for the purpose of this research study. A further proviso is that these so-called NPOs should comply with the relevant criteria as set out in Table 5.3.

**Table 5.3: Criteria for non-profit organisations**

| CRITERIA                 | EXPLANATION  |
|--------------------------|--|
| Must be a legal entity   | <ul style="list-style-type: none"> <li>Created by a process of law and its existence is recognised independently of the persons, corporations, or government units that establish, finance, control or manage them.</li> </ul>   |
| Organised                | <ul style="list-style-type: none"> <li>Institutionalised, persistence of goals, structures and activities and not ad hoc or temporary.</li> </ul>  |
| Should be not-for profit | <ul style="list-style-type: none"> <li>NPOs are not guided by commercial goals and do not exist to primarily generate profit. They may accumulate surplus funds which may not be distributed to its members, but must be ploughed back into the basic mission of the NPO.</li> </ul> |
| Private                  | <ul style="list-style-type: none"> <li>Can receive funding from government and can carry out government contracts, but excludes government structures.</li> </ul>  |
| Must be self-governing   | <ul style="list-style-type: none"> <li>An NPO is able to control its own activities and is not under the control of any other entity.</li> </ul>   |

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| CRITERIA   | EXPLANATION   |
|--|---|
| NPO is non-compulsory  | <ul style="list-style-type: none"> <li>Membership and contribution of time and money are not required or enforced by law.</li> </ul>  |
| Must be separate from government   | <ul style="list-style-type: none"> <li>An NPO does not exercise governmental authority in its own right and does not form part of the apparatus of government, even if it receives significant funding from government and has public officials on its board.</li> </ul>  |
| Community based organisations, non-profit companies, non-government organisations and cooperatives are regarded as NPOs if they are prohibited from distributing profits to their members. | <ul style="list-style-type: none"> <li>Community based organisations (CBOs) such as mutual societies, self-help groups, social ventures and non-profit companies (NCPs) such as universities and hospitals could be regarded as NPOs if their Articles of Association prevent them from distributing profits to members.</li> </ul> |

Source: Researcher's own construct conceptualised from Swilling and Russell (2002); South Africa. Department of Social Development (2013); Statistics South Africa (2015).

A clear understanding of the development and current state of the NPO sector in South Africa is necessary before a framework for stakeholder relationship management for this sector could be conceptualised. The next section will therefore address this matter.

### **5.3 AN OVERVIEW OF THE NON-PROFIT SECTOR IN SOUTH AFRICA**

Critics agree that the NPO sector has played a major role in shaping the nature of modern South African society in building sustainable reconciliation strategies and in having an impact on the lives of the disadvantaged and the vulnerable (Swilling & Russell 2002:3; Zhang 2005:14; Hailey 2006:30; Wyngaard 2013; Holtzhausen 2014:286; Statistics South Africa 2015:24). They also agree that the NPO sector in South Africa is currently facing a crisis for survival. Julie (2010:26) refers to the crisis as "endemic" and according to Stuart (2013), NPOs need to cope with a general lack of support, intangible funding criteria, reduced funding from government, as well as the global recession, increased corporatisation and competition, all threatening the future survival of many NPOs in South Africa.

Julie (2010:14-20) divides the historical development of NPOs (he refers to NGOs in his study) into three historical periods in an effort to illustrate the movement of leaders in and out of the NGO sector during these periods. The scope of this study does not allow for a detailed historical discussion of NPO development in South Africa, but, borrowing heavily from Julie's work, an executive summary is provided. The term NGO will be used in this discussion, honouring Julie's choice of this terminology with the understanding that it refers to the non-profit sector in South Africa.

The first historical period covers 1960 to 1990 during which South Africa experienced both a substantial economic growth in the 1960s, as well as its worst economic crisis with a recession in 1978. During this period, NGOs (the term appropriate at the time, since they clearly wanted to distinguish themselves as separate from government) mobilised against the apartheid state with many NGO leaders sporting an activist background and an affiliation to a certain political tendency. Funding from mainly international donors was easily obtainable. Leaders had very little time for formal learning or training and mostly learned incidentally through observation, modelling and some short, non-formal leadership courses. This period was marked by political and economic unrest with a strong focus on activism. There was little accountability expected from the mostly male dominated NGO sector.

The second historical period constitutes the years 1992 to 2000 marked by the election of a new democratic South African government in 1994. NGOs started to relook their original role against the state and in fact, many NGO leaders left the NGO sector to join the new government. On the economic front the Growth, Economic and Redistribution Policy (GEAR) was introduced to replace the Reconstruction and Development programme (RDP). Although NGOs were generally not in favour of GEAR, they did not voice their opposition to this policy too loudly for fear of being targeted or denied funding. A new emphasis was placed on governing principles such as accountability, transparency, management, legal compliance, measuring and planning. According to individuals interviewed by Julie (2010:16), this period marked a disorganised and individualistic sector with people who had many degrees, but no practical struggle experience. Many NGOs could not adapt to the new demands and collapsed, while a number of new NGOs emerged to deal with new challenges such as HIV-Aids and women and child abuse. At the same time international funding dried

up and NGOs had to develop their own income-generating strategies in order to survive the funding crisis. Networks and forums such as the South African NGO Coalition (SANGOCO), Urban Sector Network (USN) and the Youth Development Network (YDN) amongst others, were established and the Nonprofit Organisation Act 71 of 1997 was introduced to encourage NGOs to register and comply with certain provisions. For the first time formal training became a focus area, courses were accredited and a number of educational frameworks were established such as the Sector Education and Training Authorities (SETAS), the Recognition of Prior Learning, the South African Qualifications Authority (SAQA) and the National Qualifications Framework (NQF). Leadership training programmes were now offered by educational institutions and many NGO leaders embarked on these programmes which led to a further loss of the collectivism of the first period and to more individualism.

During the third historical period between 2001 and 2007, international NGOs entered the country and started competing with local NGOs. A different group of leaders who had either left government or the corporate sector, entered the NGO sector or became consultants to the NGO sector, having achieved formal qualifications. Still more NGOs seized to exist as the funding crisis grew, losing highly experienced and professional people in the process, and SANGOCO lost its credibility as a network forum representing the NGO sector. Service delivery protests, social movements and xenophobia attacks gained momentum while the division within the ruling African National Congress (ANC) party deepened. The Black Economic Empowerment policy was criticised as favouring only those with ties to the ruling party. In 2008 SANGOCO is revived with the relaunch of a number of chapters nationally, and NGOs start leadership networks in the main cities with more female leaders entering this non-profit sector.

Despite the challenges and upheaval faced by the NPO sector over the years, there were 127 032 registered NPOs on the South Africa Department of Social Development's list by 2014, of which 120 268 were voluntary associations, 4 446 non-profit companies and 2 318 non-profit trusts (Statistics South Africa 2015:12). By the end of March 2015, this number increased to 136 453 of which 32% were registered in Gauteng (South Africa, Department of Social Development 2015:4). No list of registered non-profit companies appears on the Companies and Intellectual Properties

Commission's website, but by February 2017 close to 17 000 public-benefit organisations appear on the South African Revenue Services list as tax-exempt section 18A POBs (South African Revenue Services 2017). A further estimated 50 000 unregistered NPOs are also operational in South Africa (Stuart 2013). Acknowledging the fact that there may be a duplication in the numbers since organisations may register as either an NPO, NPC or a PBO or all of these, the numbers are nevertheless substantial.

Patel (2012:610) groups this proliferation of NPOs into four types of South African NPOs which are contextualised in Table 5.4.

**Table 5.4: Types of South African NPOs**

| TYPE  | EXPLANATION  |
|---|--|
| Formally registered NPOs<br>(Type one)              | <ul style="list-style-type: none"> <li>Formally registered with government.</li> <li>These organisations have a long history of service delivery.</li> <li>Very reliant on state funding.</li> <li>Operate within strict bureaucratic procedures.</li> <li>Must adhere to accountability systems.</li> <li>Least freedom of all NPOs to develop own programmes and set priorities because these must be based on predetermined standards and norms.</li> </ul> |
| Donor funded NPOs<br>(Type two)                     | <ul style="list-style-type: none"> <li>Also formally registered with government.</li> <li>Enjoy greater flexibility in developing programmes.</li> <li>May be constrained by the goals and objectives of donors and align goals accordingly.</li> <li>There is some room for bargaining with donors about the scope and direction of programmes.</li> <li>Number of exclusively donor-funded NPOs is unknown.</li> </ul>                                       |
| Faith-based organisations<br>(FBOs)<br>(Type three) | <ul style="list-style-type: none"> <li>Also formally registered with government.</li> <li>Enjoy greater flexibility in developing programmes.</li> <li>Shaped by a religious ethos.</li> <li>Constitutes and estimated 11% of the total number of NPOs (2012 figures).</li> </ul>  |
| Community based organisations (CBOs)<br>(Type four) | <ul style="list-style-type: none"> <li>Can be registered, but are generally unregistered.</li> <li>Informally organised.</li> </ul>  |



**CHAPTER 5: TOWARDS A CONCEPTUAL METAMODERN STAKEHOLDER RELATIONSHIP  
MANAGEMENT FRAMEWORK FOR NON-PROFIT ORGANISATIONS**

| TYPE | EXPLANATION   |
|------|---|
|      | <ul style="list-style-type: none"> <li>• Use mainly volunteers.</li> <li>• Have limited access to funding and skills.</li> <li>• Are often seen as the implementation agencies for government, public service contractors, donor-funded NPOs and CBOs.</li> <li>• Makes up the largest portion of NPOs in South Africa (estimated between a third and half of all NPOs).</li> </ul> |

Source: Patel (2012:610).

According to Statistic South Africa (2015:24), NPOs receive most of their income from government in the form of grants (referred to as subsidies), thereafter from local donations and then membership subscriptions. Most of this income is spent on the compensation of employees which leaves little to channel to beneficiaries.

Apart from the paradigm shift away from experiential learning to formal accredited training as highlighted by Julie (2010), the NPO sector in South Africa faces a number of other issues. Admitting the financial constraints the global recession imposed on the NPO sector, Stuart (2013) nevertheless lies the blame for the South African NPO crisis largely in front of the South African government's door and criticises it for providing intangible government funding criteria, reduced funding and a general lack of support. The NPO sector in South Africa thus faces a number of critical issues which are summarised in Table 5.5.

**Table 5.5: Critical issues facing the South African NPO sector**

| ISSUE   | EXPLANATION   |
|---|---|
| Demand for increased accountability                                 | <ul style="list-style-type: none"> <li>• Expecting accountability is not necessarily negative, but it has led to a focus on reporting which resulted in the measuring of output and the number of completed activities, rather than measuring the difference these activities made.</li> </ul>  |
| Donors expect rigorous standards of accountability and transparency | <ul style="list-style-type: none"> <li>• NPOs tend to align themselves more with donors than beneficiaries and thus distance themselves from the marginalised communities they are supposed to serve. NPOs are finding it hard to comply with the accountability and outcome measures expected from donors and government.</li> </ul> |

**CHAPTER 5: TOWARDS A CONCEPTUAL METAMODERN STAKEHOLDER RELATIONSHIP  
MANAGEMENT FRAMEWORK FOR NON-PROFIT ORGANISATIONS**

| ISSUE   | EXPLANATION   |
|---|---|
| Global economic crisis  | <ul style="list-style-type: none"> <li>Funding from individual and private donors diminished substantially as did the corporate social investment budgets of corporate organisations. This not only led to NPOs competing against each other for more government funding, but also resulted in NPOs developing a close relationship with the government, to the point where it becomes difficult to distinguish them from the state.</li> </ul>   |
| Lack of institutional capability  | <ul style="list-style-type: none"> <li>Leadership and management capabilities are lacking and public officials are not able to provide guidance to NPOs.</li> <li>Human resources are not adequate to implement policies and legislation.</li> <li>Fewer social, community development and auxiliary workers exist.</li> <li>Low salaries have led to high staff turnover in the NPO sector.</li> </ul>   |
| The Non-Profit Organisations Act of 1997 is problematic and funding criteria are intangible | <ul style="list-style-type: none"> <li>The act states that government should create an enabling environment for the NPO sector, yet many NPOs find it difficult to access government support and to obtain the necessary funding from government.</li> <li>All registered NPOs are subjected to the same reporting criteria which are intimidating and not practical for the smaller NPOs.</li> </ul>   |
| Inadequate and inappropriate funding from government  | <ul style="list-style-type: none"> <li>Social security services receive 90% of the social development budget and only 10% goes to welfare services (with a variation in some provinces) which points to the lack of a comprehensive policy framework and appropriate funding criteria between government and NPOs.</li> <li>Management information systems are inadequate, making it impossible to develop appropriate funding formulae.</li> <li>Provinces are funded by national government, but national government is seemingly not holding provinces accountable for the misappropriation of funds.</li> <li>Funding criteria are changed without informing NPOs, resulting in the inability to strategise and plan properly.</li> </ul> |
| Government support is lacking   | <ul style="list-style-type: none"> <li>Government expects accountability, but failed to supply transparent and standardised criteria for the financing of social services. Not only has</li> </ul>  |

**CHAPTER 5: TOWARDS A CONCEPTUAL METAMODERN STAKEHOLDER RELATIONSHIP  
MANAGEMENT FRAMEWORK FOR NON-PROFIT ORGANISATIONS**

| ISSUE | EXPLANATION  |
|-------|--|
|       | <p>this resulted in major discrepancies in the allocation of funds to NPOs, but also in the deregistering of more than 23 000 NPOs in 2013 because they did not submit annual and financial reports. A further 35 000 NPOs were marked <i>non-compliant</i>. All organisations were subsequently reregistered after a public outcry and given six months to become compliant.</p> <ul style="list-style-type: none"> <li>• Government is increasingly criticising the work done by the NPO sector and the NPO sector is not hesitating in exposing government's shortcomings. The NPO sector was instrumental in bringing legal action against the government during 2012 for not meeting its legal and constitutional obligations when the Department of Education failed to deliver the necessary textbooks timeously to several schools in the Limpopo Province.</li> </ul> |

Source: Researcher's own construct conceptualised from Patel (2012:611-614); Stuart (2013); Wyngaard (2013); Wiggill (2014:278).

Acknowledging the abovementioned issues, Julie (2010:9) argues that the discontinuity of leadership in NPOs over the years coupled with the absence of the transfer of knowledge, skills and experience caused by the disruption of learning processes, is largely responsible for the crisis the NPO sector currently finds itself in. He argues that the informal, experiential and collective learning paradigm of the first historical period was replaced by formal teaching which was text-based with a strong focus on management, profitability and sustainability (Julie 2010:22). According to him, this trend worsened and continued through the third period which resulted in leaders with theoretical knowledge, but the inability to implement it in practice. This shift from learning to teaching is responsible for the disconnect between theory and practice (Julie 2010:23).

Patel (2012:615) agrees when stating that the lack of skills necessary to manage difficult state-civil society relations is a critical shortcoming in NPO leadership and that public officials need to realise the "synergies between public and private provision, foster reciprocal and co-operative relations between the parties and promote a common purpose".

Patel's comment touches on the importance and necessity of strategic stakeholder relationship management strategies for the NPO sector. However, considering the aforementioned background on the state of the NPO sector in South Africa and the emphasis on inadequate leadership, it could be posited that training and education in stakeholder relationship management has never been a priority in this sector, neither has it been considered a governing principle.

The King Report on Corporate Governance and the NPO governance codes were briefly referred to in Chapter 1, but they warrant a closer look and are discussed in more detail in the next sections.

#### **5.4 GOVERNANCE CODES FOR SOUTH AFRICAN NON-PROFIT ORGANISATIONS**

The foregoing discussion highlighted the increased focus on and importance of accountability and governance in the NPO sector. Government and the NPO sector in South Africa are arguably serious about governance and accountability issues and the Directorate of the Department of Social Development (DSD) commissioned Inyathelo: The South African Institute for Advancement to investigate the governance practices of national non-profit bodies and networking organisations (Inyathelo 2010). The key findings and recommendations in this report, which were published in 2010 (Inyathelo 2016), focus mainly on government support, organisational governance structures and suggestions for addressing the shortcomings in both areas (South Africa, Department of Social Development 2010:np).

Chapter 1 made a brief reference to the King Report on Corporate Governance and the governing codes for the South African NPOs. The following sections will discuss this in more detail and contextualise the lack of reference to stakeholder relationship management in the NPO governing codes.

The launch of the King III Report on Corporate Governance added another dimension to governing principles when it included, for the first time, a chapter (Chapter 8) outlining six principles for the governing of stakeholder relationships. The King III Report on Corporate Governance, under the guidance of the King Committee

appointed by The Institute of Directors in Southern Africa (IoDSA), was launched in 2009 and came into effect on 1 March 2010.

The King I Report on Corporate Governance was released in 1994 and by the time the King II Report on Corporate Governance was released in 2002, companies listed on the Johannesburg Stock Exchange (JSE) were asked by the JSE to comply with the recommendations contained in the report. These companies included those listed on the JSE, banks, financial and insurance entities, as well as public sector enterprises governed by the Public Finance Management Act and the Municipal Finance Management Act (IoDSA 2015a).

The release of the King III Report on Corporate Governance resulted in an outcry from the South African non-profit sector, claiming that it was not appropriate for the NPO sector since it was written for the corporate sector (Gastrow 2014). Wyngaard and Hendricks echo (2010b:179-180) this view by pointing out that the King III Report on Corporate Governance uses terminology such as *Companies Act*, *shareholders*, *business* and *remuneration of directors*, all of which are not applicable to NPOs. They highlight the need for a separate governance code for NPOs.

Inyathelo: The South African Institute for Advancement submitted the industry's concerns pertaining to the impracticality of the King III Report on Corporate Governance for the NPO sector to the King Committee in April 2009, but claims that the content of this submission was not taken into account by the King Committee prior to the final publication of the King III Report on Corporate Governance in September 2009 (Inyathelo 2016).

The King Committee, under the chairmanship of Prof Mervin King, acknowledged this caveat in the King III Report on Corporate Governance and admitted that it was written for the corporate sector. They were of the opinion that it was nonetheless relevant to all sectors and declared that it applied to "all entities regardless of the manner and form of incorporation or establishment and whether in the public, private sectors or non-profit sectors" (Wyngaard & Hendricks 2010a:104). The King Committee, however, accepted that the NPO sector needed some guidance to understand and apply the King III Report on Corporate Governance and consequently produced a

document known as *Practice Notes: A guide to the application of King III for Non-profit Organisations* in an attempt to make the King III Report on Corporate Governance more user-friendly for NPOs (Gastrow 2014:). The *Practice Notes* included some notes on stakeholder relationships. Reiterating the importance of stakeholder relationships for the non-profit sector, it states that “its survival depends on it” (IoDSA 2013:14). Gastrow (2014) admits that the *Practice Notes: A guide to the application of King III for Non-profit Organisations* are somewhat useful to NPOs, but claims that there had been no consultation with the NPO sector prior to compiling them and that it still used corporate terminology.

The provision of the *Practice Notes: A guide to the application of King III for Non-profit Organisations* did not satisfy the NPO sector and their discomfort about the King III Report on Corporate Governance resulted in the launch of the *Independent Code of Governance for Non-Profit Organisations in South Africa* in 2012. It was produced under the guidance of Inyathelo: The South African Institute for Advancement after an inclusive two-year consultation process with the NPO sector (Inyathelo 2016). The code is not enforced by law and is voluntary and self-imposed. Members of the NPO sector are encouraged to agree on board level to subscribe to the code and to then submit a signed copy of the *Commitment to the Independent Code of Governance for Non-Profit Organisations in South Africa*. At the time of writing this (August 2016) only 179 organisation were listed on Inyathelo’s website as subscribing to the code. This is a frightfully low number, considering the size of the NPO sector in South Africa.

Two other documents provide governance guidelines for NPOs namely the South African NGO Coalition’s (SANGOCO) *Code of Ethics for Non-profit Organisations* (1997) and the *Code of Good Practice for South African Non-profit Organisations* (2001) issued by the South African Department of Social Development.

The King III and the King IV Code for Corporate Governance both contain an entire chapter dedicated to stakeholder relationship management and regard it as a crucial governance principle which should be directed and overseen by the board of an organisation. The same focus on stakeholder relationship management is not evident in the existing governance and ethical codes of NPOs, as illustrated in the following discussion.

## 5.5 STAKEHOLDER RELATIONSHIP MANAGEMENT AS A GOVERNING PRINCIPLE IN NON-PROFIT ORGANISATIONS' GOVERNANCE CODES

The governance codes for the South African NPO sector address issues such as ethics and values which arguably link to effective stakeholder relationships, but none has a section or a chapter dedicated to the issue of stakeholder relationship management. Three governance codes emanating from the NPO sector are highlighted and compared to the relevant NPO supplements published by the King Committee.

Firstly, the *Code of Ethics for Non-profit Organisations* (1997) was produced by SANGOCO and refers to *stakeholders* in its discussion of accountability (Sangonet Pulse 2003). It undertakes to involve all stakeholders in the planning programmes that directly affect them and states that relevant stakeholders will be invited to strategic planning sessions to contribute and that the opportunity will be given for stakeholder and community input when evaluating and updating programmes. No reference is made to *stakeholder relationships* or the management thereof and, more pertinently, to whose responsibility stakeholder relationship management should be.

Secondly, the *Code of Good Practice for Non-profit Organisations* (2001) issued by the South African Department of Social Development, refers to *stakeholder relationships* once, under a clause addressing accountability and transparency. It claims that an NPO's ability to sustain open and productive relationships with key stakeholders will ensure its sustainable existence, and that stakeholders such as beneficiaries and communities should be involved in the planning, evaluation and updating of programmes and projects (South Africa, Department of Social Development 2001:s A5:16-17). *Stakeholders* are referred to a few times: in explaining which important three stakeholders are involved in the fundraising process; in stating that stakeholders should ideally be involved in formulating the grant-making vision and in developing the programme; in encouraging openness among all stakeholders in the development process (South Africa, Department of Social Development 2001:s B1:19-21; s C6:41-42). The *Code of Good Practice for South African Non-profit Organisations* is thus slightly more sophisticated in its reference to stakeholders than the *Code of*

*Ethics for Non-profit Organisations*, but still lacks a specific reference to stakeholder relationship management as a governing principle for NPOs.

Thirdly, the *Independent Code of Governance for Non-Profit Organisations in South Africa* (2012) was produced under the guidance of Inyathelo: The South African Institute for Advancement and mentions *stakeholders* several times. It states that not only the board, but other stakeholders such as employees, volunteers and donors should play a part in ensuring effective governance in the NPO sector, and a commitment to the democratic process of decision-making must be demonstrated in the relationships with stakeholders. This code acknowledges that NPOs are accountable to a number of stakeholders and refers specifically to communication with stakeholders which should be open and honest (Independent Code of Governance for Non-Profit Organisations in South Africa 2012:4;9;10). The responsibility of ensuring communication with stakeholders is given to the board, but communication is arguably defined by them as information dissemination, since the code suggests that communication to stakeholders may “require project and programme reports; the establishment and maintenance of a website; the publication of newsletters; and the prompt and efficient handling of correspondence and other communications, including information provided to the media” (Independent Code of Governance for Non-Profit Organisations in South Africa 2012:11). Not a single reference is made to *stakeholder relationships*. The *Independent Code of Governance for Non-Profit Organisations in South Africa* was produced in reaction to the King III Report on Corporate Governance (Inyathelo 2016), but seemingly chose to ignore some sections of the King III report. It notably does not address stakeholder relationship management as a governing principle at all, although it had insight into the stakeholder relationship management content of Chapter 8 of the King III Report on Corporate Governance.

None of the codes aimed at the NPO sector and wat was conceptualised and produced by them, addresses the stakeholder relationship management concept adequately or provides guidance as to how to build and sustain these relationships. However, the importance of strong relationships in the NPO sector was acknowledged by the King Committee and this concept was included in the supplements added to both the King III and the King IV Reports on Corporate Governance as *The Practice Notes: A guide*



*to the application of King III for Non-profit Organisations (King III) and Supplement for Non-profit Organisations (King IV).*

*The Practice Notes: A guide to the application of King III for Non-profit Organisations* (IoDSA 2013:4) explains that the “comply or explain” paradigm used in the King I and King II reports was changed to “apply and explain” in the King III report, allowing for more flexibility. This implies that the NPO sector has the right to apply the governing principles set out in the King III report in a flexible manner and in the interest of the organisation. These notes reiterate the importance of stakeholder relationship management for the non-profit sector and state that its survival depends on it. It argues that the board should accept that stakeholders’ perceptions of an organisation affect its reputation and asks pertinently, “*does management have a strategy and policies for the management of the relationship with each key stakeholder grouping?*” (IoDSA 2013:14;15). It also suggests that the governing body of an NPO should ensure that the organisational strategy is not only aligned with the organisation’s vision and values, but that it reflects the legitimate interests and expectations of its stakeholders (IoDSA 2013:12). This implies that NPOs should understand stakeholders’ expectations and should have a focussed stakeholder relationship management strategy.

In March 2016, a draft document of the King IV Report on Corporate Governance was made available for public comment. The King Committee clearly anticipated a reaction from the sectors other than those listed on the JSE or large companies and they promised supplements pertaining to these sectors to follow (IoDSA 2015b). These supplements were made available for public comment a few months later (IoDSA 2015b) and were included in the final version of the King IV Report on Corporate Governance which was launched in November 2017 (IoDsa 2017). They addressed the sectors of municipalities, retirement funds, small and medium enterprises, state-owned entities and, of particular interest to this study, non-profit organisations.

The *Supplement for Non-profit Organisations* states that the content of the King IV Report on Corporate Governance is applicable to the NPO sector, provided that this sector interprets the terminology used in the King IV Report in a manner applicable to the NPO sector (IoDSA 2016b:2; IoDSA 2017:88) as illustrated in Table 5.6.

**Table 5.6: Adjustment of terminology for the NPO sector in the King IV Report on Corporate Governance**

| KING IV TERMINOLOGY  | ADJUSTMENT FOR THE NPO SECTOR   |
|----------------------|---|
| Governing body       | <ul style="list-style-type: none"> <li>Board or other term that would be applicable.</li> </ul>   |
| Organisation         | <ul style="list-style-type: none"> <li>A board, commission, company, corporation, fund, trust, voluntary association or other term that would be applicable.</li> </ul>   |
| Shareholder          | <ul style="list-style-type: none"> <li>Member of an NPO incorporated as a non-profit company with members, or member of a voluntary association and also a donor as the provider of financial capital to the NPO. If donor funding is provided once-off, ad hoc or anonymously and no continuing relationship exists, references to shareholders do not apply to this category of funders.</li> </ul> |
| Corporate            | <ul style="list-style-type: none"> <li><i>Corporate</i> is used to refer to the governance of organisations that are incorporated to form legal entities separate from their founders. <i>Corporate</i> refers to all forms of incorporations such as company, voluntary association, retirement fund, trust, legislated entity and others.</li> </ul>  |
| Corporate governance | <ul style="list-style-type: none"> <li><i>Corporate governance</i> is used to differentiate from other forms of governance such as national or political governance.</li> </ul>   |

Source: IoDSA (2016b:2); IoDSA (2017:88).

Chapter 8 of the King III Report on Corporate Governance contained six stakeholder relationship management principles (IoDSA 2015a). These were reduced to only two principles in the King IV Report on Corporate Governance (IoDSA 2016a:61-62), but the clarification of these two principles includes the content of the six principles of the King III Report. Apart from the relevant terminology changes, these two stakeholder relationship principles are verbatim repeated in the draft *Supplement for Non-profit Organisations* (IoDSA 2016b:7) and are quoted next.

Principle 5.1: As part of its decision-making in the best interest of the organisation, the governing body should ensure that a stakeholder-inclusive approach is adopted, which takes into account and balances their legitimate and reasonable needs, interests and expectations.

Principle 5.2: The governing body should ensure that the organisation responsibly exercises its rights, obligations, legitimate and reasonable needs, interest and expectations as holder of beneficial interest in the securities of a company.

In the final version (in which the principle numbers were changed), principle 5.2 (now principle 17) was omitted with the statement that it does not apply to NPOs and only principle 5.1 (now principle 16) was included (IoDSA 2017:94). It read as follows:

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectation of material stakeholders in the best interest of the organisation over time.

It is thus clear, that according to the King Committee, the NPO sector is not excluded from practising good governance principles of which stakeholder relationship management is one. These developments enhance the importance of effective stakeholder relationship management in all business, including the NPO sector.

The general lack of the inclusion of stakeholder relationship management as a governance principle in the NPO codes as illustrated in the foregoing discussion, arguably implies either a disinterest in the concept or, more likely, an ignorance about it in the South African non-profit sector. This does, however, not mean that the concept of stakeholder relationships in the NPO sector has not been discussed globally by scholars. They are also in agreement about the relevance and value of strong relationships in this sector.

## **5.6 STAKEHOLDER RELATIONSHIP MANAGEMENT IN THE NON-PROFIT SECTOR**

Several studies, as indicated earlier, illustrate that very few South African NPOs have the necessary funds to employ full-time communication specialists and that this task usually becomes the responsibility of a social worker or volunteer (Wiggill 2009:187; Holtzhausen 2014:291).

In reviewing the literature, it is evident that, besides the lack of communication specialists in South African NPOs, a framework or model for designing and implementing a practical stakeholder relationship management strategy, aimed specifically at the NPO sector, does seemingly not exist. Some studies have touched on a few aspects of the stakeholder concept, but none of them offered a fully

developed framework or model for stakeholder relationship management in the NPO sector, which points to the unique contribution of this study. The viewpoints of two international and one national study are briefly highlighted.

Firstly, Balser and McClusky (2005:295), who investigated how NPOs manage their stakeholder relationships, concluded that stakeholder relationship management practices may contribute to the perception of NPOs' effectiveness. They do recognise, however, the limitations of this study in the sense that it is unclear whether the NPOs in question were effective because of their consistent stakeholder relationship management approach, or whether they were able to implement this approach because they were already effective.

Secondly, O'Neil (2007:99) attempted to measure the link between public relations and donor support and determined that there is an association between public relations and years of donating, the comfort to continue donating and encouraging others to donate. The study is limited as it only measured the perceptions of donors, and not the potential influence of other stakeholders, neither did it provide any answers as to how relationships with donors should be established and maintained.

Thirdly, Wiggill's (2009) study, namely *Strategic communication management in the non-profit adult literacy sector*, focusses on South African NPOs in the adult literacy sector. She endeavoured to present a simplified Steyn and Puth (2000) strategic communication model in order to assist NPOs to practise strategic communication. Wiggill concentrated on the communication management function in NPOs and conducted interviews with communication practitioners or personnel responsible for communication in the organisations. Although she refers to relationship management, she concludes with a strategic communication model and not a stakeholder relationship management model.

A number of other international studies allude to relationship management, but these studies, however, concerned themselves predominantly with relationship marketing, focussing on donors and not on stakeholders in general. Although these studies will only be mentioned briefly, they are noteworthy in the context of this study, since they predominantly focus on donor relationships and not wide-ranging stakeholder

relationships. This resonates strongly with the *shareholder-view* as opposed to the *stakeholder-view*, a view that is arguably too narrow. Although all these studies conclude that mutually beneficial relationships between NPOs and donors will contribute to NPOs' organisational success, they do not provide guidance as to how to build and sustain these relationships (Brennan & Brady 1999; Sargeant 2001; Bennett & Barkensjo 2005; MacMillan et al 2005; Waters 2008; Waters 2011; Wiggill 2014).

Brennan and Brady (1999:335) focus on NPO relationships, but within the context of marketing and not communication science. According to them, traditional forms of marketing will not work for NPOs since they do not have a transaction focus, but that the principles of relationship marketing have the capability to enable NPOs to use marketing principles successfully. Another example is that of Sargeant (2001:190), who also focusses on relationship marketing and relationship funding and argues that NPOs need to strengthen their relationships with donors, should they wish to continue receiving donations from them. Bennet and Barkensjo (2005:136) agree with Sargeant about the importance and value of relationship marketing in the NPO sector, but argue that it is not merely a case of having a relationship. The quality of this relationship is crucial since it has a significant influence on donors' perceptions of the NPO in question. Extending the relationship marketing and funders marketing concepts, MacMillan et al (2005:815) conclude that commitment and trust are crucial in building relationships with donors. They illustrate that nonmaterial benefits to funders, such as giving them greater involvement in NPO activities, demonstrating the achievements of the organisation and being more transparent, contribute significantly to funder commitment. Mihanovic and Rosan (2014:181) agree that engaging stakeholders in the activities and operations will lead to sustainable marketing strategies and practices and add that the characteristics of an organisation's stakeholders should be considered when developing participation strategies. This resonates strongly with the *Code of Good Practice for Non-profit Organisations* (2001) issued by the South African Department of Social Development, which promotes involving stakeholders in NPO activities and planning processes as an ethical governing principle.

Waters (2008:84) argues that the NPO sector should dedicate adequate resources to cultivate relationships with its donors should they wish to continue their service to the

community and illustrates that there is a definite link between the number of times donors donated and the view of the strength of the relationships with the NPO in question – long-term donors evaluated the relationship stronger than one-time donors (Waters 2008:73). Waters (2011:459) also argues that the application of communication theories could lead to more effective and efficient fundraising processes, and Wiggill (2014:284) posits that NPOs will struggle to contribute to developing South Africa if they do not manage their donor relationships strategically.

Theorists thus agree that strong stakeholder relationships are important for the sustainable success of the NPO sector, but the focus is mostly from a marketing perspective and almost entirely on donor relationships, whilst little attention is paid to other stakeholders.

The strong focus on NPO donor relationship management is not difficult to comprehend. Waters (2008:84) states that a strong relationship between NPOs and their donors “is vital for the maintenance and longevity of the non-profit sector”. Chapter 1 referred to the fact that NPOs lose up to 50% of donors after they have received their first or second donation from them (Polonsky & Sargeant 2007:462). This has a significant impact on the achievement of organisational goals, since the survival of NPOs are at stake without sufficient funding. It implies that NPOs should manage their donor relationships effectively in order to obtain their goodwill. This strong focus on donor relationships could, however, lead to NPOs concentrating on resource dependency, rather than on effective service (Johnson & Scholes 2002:30). It is also argued that focussing solely on donor relationships would be short-sighted, since the interconnectedness of stakeholders would be ignored. Rowley (1997:887,907) constructs a network theory of stakeholder influences and posits that numerous interdependent interactions exist simultaneously in stakeholder environments. Not only are organisations embedded in these networks, but stakeholder networks are also tied to each other (Rowley 1997:890; Sachs & Munshi 2003:3; Friedman & Miles 2006:97). Rowley (1997:907) concludes that organisations “do not respond to each stakeholder individually, but instead must answer the simultaneous demands of multiple stakeholders”. Freeman et al (2010:40) agree when they state that stakeholder interests are tied together and that their stakes are connected and multifaceted. Thus, focussing only on the NPO-donor relationship is

not sufficient, and a few theorists extended their NPO stakeholder relationship management research to stakeholders other than donors.

Gallagher and Weinberg (1991:27) argue that NPOs function in a more complex environment than for-profit organisations, which makes NPO marketing more complicated than traditional marketing. Arguably, this also holds true for stakeholder relationship management in NPOs. Knox and Gruar (2007:116) concur that stakeholders have complex relationships with NPOs and argue that stakeholders are often involved in achieving NPO organisational goals, with the consequence that NPO stakeholders are being regarded as more important than commercial business stakeholders. Olivier (2012:2) recognises that NPOs have to deal with a number of stakeholders, including donors, employees, other organisations, volunteers and the media, amongst others. He does, however, place the responsibility of stakeholder communication at the door of the communicator working for the NPO and suggests that “communicators working at nonprofit organisations should identify ways to connect and listen to stakeholders” (Olivier 2012:10). This view clearly poses a problem for the South African NPO sector with its apparent lack of professional communicators. The King III and King IV Report on Corporate Governance’s recommendation that the board should expect the senior communicator in the organisation to be responsible for strategic communication in order to comply with stakeholder relationship management as a governing principle, is equally unrealistic in the South African NPO environment.

Notwithstanding the complexities, the difficulties and the lack of focussed stakeholder relationship management strategies in the NPO sector, stakeholder relationships do exist in this environment and theorists have illustrated that a number of precursors or antecedents are imperative for such relationships to be established and sustained. Relational outcomes and relationship maintenance strategies are added to relationship antecedents as essential in completing the process of organisation-stakeholder relationship formation and these three concepts are discussed in the next section.

## 5.7 ANTECEDENTS, RELATIONAL OUTCOMES AND MAINTENANCE STRATEGIES RELEVANT TO NPO STAKEHOLDER RELATIONSHIP MANAGEMENT

Theorists concur that the process of organisation-stakeholder relationship formation consists of mainly three elements, namely *organisation-stakeholder relationship antecedents*, *organisation-stakeholder relational outcomes* and *organisation-stakeholder relationship maintenance strategies* to ensure the survival of relationships.

### 5.7.1 Organisation-stakeholder relationship antecedents

Antecedents are precursors to the development of a relationship and Broom et al (1997:16) posit that it includes “perceptions, motives, needs and behaviours” as possible causes in developing such relationships. Grunig and Huang (2000:38) argue that relational antecedents are situational and fleeting, which resonates with Grunig’s (1992) situational theory of publics discussed in Chapter 4 (see section 4.3.7). These theorists argue that stakeholders “come and go and change as situations change” (Grunig & Huang 2000:38). Scholars have identified numerous antecedents to relationships. Broom et al (1997:94) posit that social and cultural norms, the need for resources, stakeholders’ perceptions of an uncertain environment, collective expectations or a legal necessity could act as precursors. Grunig and Huang (2000:37) regard *consequences* as antecedents to relationships and employ the excellence theory to describe antecedents to relationships, arguing that mutual consequences present a communication problem or opportunity which could be addressed by the communication specialists. They posit that management decisions have consequences on stakeholders, and that the behaviour of these stakeholders influences the level of success with which decisions can be implemented – all of which are antecedents to developing relationships between the organisation and its stakeholders (Grunig & Huang 2000:36). According to them the consequences of coalitions between organisations and stakeholders act as antecedents to relationships and they describe a number permutations of possible behavioural consequences on each other: organisation affects stakeholder; stakeholder affects organisation; coalition between organisations affects another organisation or another stakeholder;



organisations affects an organisation-stakeholder coalition or multiple organisations affect multiple stakeholders. This description resonates strongly with Freeman's (1984:46) definition of a stakeholder, namely "any group or individual who can affect or is affected by the achievement of the organisation's objectives" in the sense that it implies that any action between stakeholders and organisations which may affect each other, could be regarded as an antecedent to the forming of a relationship.

Broom et al (1997:91) indicate that two theories are dominant in researching antecedents to relationships, namely the *resource dependency theory* and the *social exchange theory*. According to the resource dependency theory, relationships form as a response to an organisation's need for resources and the transactions necessary to exchange these resources, result in relationships (Broom et al 1997:91; Grunig & Huang 2000:37). The social exchange theory suggests that relationships form because of deliberate transactions between organisations and stakeholders which leads to mutual goal achievement and benefits (Broom et al 1997:91; Grunig 2000:37). This theory argues that relationships are sustained as long as the cost to do so, does not exceed the reward (Thomlinson 2000:192). Grunig and Huang (2000:38), however, argue that both theories, at best, describe interorganisational relationships and relationships between organisations and consumers and suppliers, but not relationships with stakeholders such as the media, government or activist groups, since pressure from these stakeholders may not be related to resources or exchanges.

Theorists also identify *time* (Seltzer & Zhang 2011:28), *expectations* (Broom, Casey & Ritchey 2000:17; Thomlinson 2000:192; Kim & Rader 2010:62) *trustworthiness* (Slabbert 2012:130) and *organisation-stakeholder association* (Seltzer & Zhang 2011:28) as prevalent antecedents.

*Time*, however, could also be seen as a *predictor* of the strength of an organisation-stakeholder relationship which resonates with Ledingham's (2003:190) relationship management theory stating that organisation-stakeholder relationships which are effectively managed *over time* by considering common interests and goals, will lead to mutual benefits. Simply said, time is needed to form and cement strong relationships between organisations and stakeholders and is applicable across the entire

stakeholder relationship management process, not only as an antecedent (Slabbert 2012:114).

*Expectation* as an antecedent implies that a stakeholder has a certain expectation of the behaviour of the organisation (or of other stakeholders) before they enter into a relationship (Thomlinson 2000:192). Arguably, this expectation is also present during the relationship and not meeting this expectation may lead to the demise or weakening of the relationship (Kim & Radar 2010:62). It is thus imperative that organisations are at all times aware of stakeholder expectations. It is posited that it should therefore not be treated as only an antecedent to relationships, but as a continuum during the relationships.

Slabbert (2012:130) argues that *trustworthiness* (she prefers the terminology *trustworthiness* in the organisational context, rather than *trust* or *interpersonal trust*) can be regarded as an organisation-stakeholder relationship antecedent. This is however contrary to the argument of most theorists who regard trust as a relational outcome, and not an antecedent (Ledingham & Bruning 1998; Hon & Grunig 1999), a view supported in this study. It is argued that some level of trustworthiness is an acceptable expectation and in this sense a relational antecedent, but that trust is built and earned over time by doing the right thing and should therefore be regarded as a relational outcome.

In developing a model for political organisation-public relationships, Seltzer and Zhang (2011:28) studied *party identification* or *association* (NPO association in the context of this study) as a relational antecedent. Goren (2005:881) identifies party identification as “a sense of personal, affective attachment to a political party based on feelings of closeness to the social groups associated with the parties” – a definition that could be regarded as applicable for NPO identification when substituting *party* with *NPO*. Seltzer and Zhang (2011:33) found that stakeholders who have a stronger level of party identification, do not necessarily perceive relationships with their political party more favourable. This research result has a significant implication for the NPO sector since it implies that although stakeholders may strongly identify with an NPO and specifically with the cause it is addressing, it does not mean that their perceptions of the NPO are by default positive.

For the purpose of this study, it is accepted that the resource dependency theory and the social exchange theory have a limited place in determining antecedents to stakeholder relationships in the NPO sector, but that antecedents could also exist outside the scope of these two theories. It is also argued that the NPO sector has limited control over antecedents to relationships since elements such as time, stakeholder perceptions, culture, motives and needs can be recognised and acknowledged, but not directly controlled.

From a modernistic and open systems perspective, antecedents are regarded as the sources of tension on the system resulting from the environment (Broom et al 2000:16). Postmodern scholars, however, believe that relationships are not manageable as they are constantly in flux (Ströh 2009:215), and that they are shaped by “competition, conflict, struggle and domination” (Holtzhausen 2007:365). They argue that antecedents, like stakeholders, are fleeting and change as situations change (Grunig & Huang 2000:38), all of which makes it difficult to sustain organisation-stakeholder relationships.

Building on the metamodern perspective of this study, it is thus accepted that *relationships* cannot be managed, but that the *quality* of these relationships can be managed to some extent. In order to do this, it is necessary for the NPO sector to accept that certain antecedents play a role in the formation of their relationships with stakeholders. Based on the foregoing literature review *expectations* (including the need for recourses), *mutual consequences* and *NPO-stakeholder association* will be regarded as the most relevant antecedents to stakeholder relationships in the NPO environment. The relevance of these antecedents to the NPO sector is contextualised in Table 5.7.

**Table 5.7: Antecedents to NPO stakeholder relationships**

| ANTECEDENT   | DESCRIPTION   | RELEVANCE TO NPOS  |
|--------------|---|--|
| Expectations | <ul style="list-style-type: none"><li>Stakeholders have certain expectations from an organisation prior to entering into a relationship with it. These expectations</li></ul> | <ul style="list-style-type: none"><li>NPOs must know what their stakeholders' expectations are. They must understand that these expectations not only exist prior to the relationship, but also during it.</li></ul> |

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| ANTECEDENT                  | DESCRIPTION  | RELEVANCE TO NPOS  |
|-----------------------------|--|--|
|                             | determine their willingness to start such a relationship.  | It may also change from time to time. Continuous evaluation of stakeholder expectations is thus necessary.   |
| Mutual consequences         | <ul style="list-style-type: none"> <li>Organisational decisions have consequences for stakeholders and stakeholder behaviour has consequences for the organisation. These mutual consequences lead to the establishment of relationships – positively or negatively.</li> </ul>          | <ul style="list-style-type: none"> <li>NPO management must understand that all organisational decisions will have an impact on the formation of relationships and should work towards a positive impact. This implies that organisational decisions should not only be in the interest of the organisation, but also in the interest of its stakeholders.</li> </ul>   |
| Stakeholder-NPO association | <ul style="list-style-type: none"> <li>Stakeholders may have a certain affinity for an organisation based on a personal attachment to the cause or social group the organisation represents. This may lead to a willingness to form a relationship with such an organisation.</li> </ul> | <ul style="list-style-type: none"> <li>NPOs often capitalise on the emotional connection between the cause they represent and stakeholders' association with the cause. However, it is imperative for NPOs to understand that associating with an organisation and its cause, does not necessarily lead to positive perceptions about the relationship the stakeholder has with the organisation.</li> </ul> |

Source: Researcher's own construct.

### 5.7.2 Organisation-stakeholder relational outcomes

Theorists use the terminologies *relationship dimensions*, *relationship elements*, *relationship components*, *relationship characteristics*, *relationship qualities* and *relationship outcomes* interchangeably (Hon & Grunig 1999; Jo 2003; Rensburg, De Beer & Coetzee 2008; Seltzer & Mitrook 2009; Slabbert 2012). In an attempt to measure relational outcomes, Hon and Grunig (1999:3), refer to the measured *dimensions* as relations indicator *outcomes*. Slabbert (2012:131) on the other hand, prefers *elements* to describe the components of an organisation-stakeholder relationship. She discusses antecedents and elements as separate entities, but,

antecedents could, arguably, also be regarded as elements of an organisation-stakeholder relationship. It is thus posited here that the comfort in using these terminologies in this fashion, stems from the fact that *dimensions*, *elements*, *characteristics*, *qualities* and *outcomes* of relationships are not necessarily separate or fixed in time, or evident only in the final stages of stakeholder relationship management. As with antecedents and stakeholders, they are in flux and interconnected. For the purpose of this study, *relational outcomes* will therefore be used, with the understanding that *relational outcomes* consist of *dimensions*, *elements*, *characteristics* and *qualities*, all of which can and should be evaluated and measured continuously as part of the stakeholder relationship management process.

Relational outcomes have been explored by numerous scholars and some new and some overlapping relational outcomes have been identified and developed over the years. Many of these studies have been mentioned in Chapter 4 and will not be repeated in detail again. Jo's (2003:23) succinctly compiled framework for measuring organisation-stakeholder relational outcomes as discussed by various authors, summarises the most prevalent studies, as illustrated in Table 5.8.

**Table 5.8: Framework for measuring organisation-stakeholder relational outcomes**

| <b>AUTHOR</b>                | <b>RELATIONAL OUTCOMES</b>   |
|------------------------------|--|
| Ferguson (1984)              | <ul style="list-style-type: none"> <li>Dynamic versus static, open versus closed, <b>mutual satisfaction</b>, distribution of power, <b>mutual</b> understanding and <b>mutual</b> agreement.</li> </ul> |
| Grunig and Repper (1992)     | <ul style="list-style-type: none"> <li>Reciprocity, <b>trust</b>, credibility, <b>mutual</b> legitimacy, openness, mutual <b>satisfaction</b> and <b>mutual</b> understanding.</li> </ul>                |
| Huang (1997)                 | <ul style="list-style-type: none"> <li><b>Trust</b>, control <b>mutuality</b>, relational <b>commitment</b> and relational <b>satisfaction</b>.</li> </ul>   |
| Ledingham and Bruning (1998) | <ul style="list-style-type: none"> <li>Openness, <b>trust</b>, <b>involvement</b>, investment and <b>commitment</b>.</li> </ul>  |
| Bruning and Ledingham (1999) | <ul style="list-style-type: none"> <li>Professional relationship, personal relationship and community relationship.</li> </ul>   |
| Hon and Grunig (1999)        | <ul style="list-style-type: none"> <li><b>Trust</b>; control <b>mutuality</b>, <b>commitment</b>, <b>satisfaction</b>, communal relationships and exchange relationships.</li> </ul>                     |

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| AUTHOR                  | RELATIONAL OUTCOMES  |
|-------------------------|--|
| Grunig and Huang (2000) | <ul style="list-style-type: none"> <li>• <b>Trust, control mutuality, commitment and satisfaction.</b></li> </ul>                    |
| Huang (2001)            | <ul style="list-style-type: none"> <li>• <b>Trust, control mutuality, commitment, satisfaction,</b> face and favour.</li> </ul>      |
| Kim (2001)              | <ul style="list-style-type: none"> <li>• <b>Trust, commitment,</b> local and community <b>involvement</b> and reputation.</li> </ul> |

Source: Jo (2003:23).

It is clear that certain relational outcomes appear consistently in the literature (highlighted in bold in the Table 5.8) namely *trust*, *satisfaction*, *commitment* and *control mutuality* (or agreement or understanding). Theorists seemingly agree that these relational outcomes are the most important indicators of the quality of the relationship.

Two theories occur repeatedly in debates and research pertaining to stakeholder relationships outcomes. They are Ledingham and Bruning's (1998) relationship management theory and Hon and Grunig's (1999) proposed six-factor instrument to measure public-organisation relationships.

Ledingham and Bruning's (1998) relationship management theory was discussed in the previous chapter (see section 4.3.11) and is only briefly repeated here. Ledingham and Bruning (1998:63) illustrated that the relationship dimensions of *trust*, *openness*, *involvement*, *commitment* and *investment* in organisation-stakeholder relationships, play a pivotal role in determining which stakeholders stay, leave or remain undecided. From the relational perspective, Ledingham (2003:193-194) argues that communication should be regarded as a strategic tool in the process of building and sustaining stakeholder relationships. He also calls for public relations practitioners to not only be trained in the area of communication management, but also in the domain of management concepts. The relationship dimensions as identified by Ledingham and Bruning (1998) are arguably important elements in establishing and sustaining NPO stakeholder relationships, but the expectation that the organisation's communication management function should be responsible for designing such strategic communication programmes, remains a challenge for the South African NPO sector.

Ledingham and Bruning extended their 1998-study the following year and demonstrated that organisation-stakeholder relationships could be conceptualised as multidimensional since it may be a professional, personal or community relationship or a combination of all (Bruning & Ledingham 1999:164). A professional relationship implies that an organisation should conduct its business in a businesslike manner and engage in the welfare of its stakeholders. A personal relationship reflects an organisation's effort to build personal relationships with stakeholders and implies that organisational employees are willing to invest emotional and physical resources into interaction with stakeholders. Community relationships refer to the interactions organisations have with the community in which they are located (or in the case of the NPO sector, the community which it serves) (Bruning & Ledingham 1999:165; Jo 2003:19-20).

Bruning and Ledingham's (1999) multidimensional stakeholder-organisation relationship scale is regarded as important in the context of this study and the NPO sector. Building professional relationships with stakeholders necessitates a financial investment from the side of the organisation (Bruning & Ledingham 1999:165), which, considering the financial constraints of the NPO sector in South Africa, is problematic. Building a personal relationship with stakeholders necessitates not only employee time and resources, but implies that management (if not all employees) and not only communication specialists, should be involved in this process. This paradigm poses an opportunity for the NPO sector with its lack of communication specialists in the sense that management could take ownership of building personal relationships with stakeholders. Building community relationships suggests that an organisation communicates openly with communities, that it "engages in activities that can be used to improve social and economic aspects of the community, and that the organisation takes an active role in community development" (Bruning & Ledingham 1999:165). This description of community relationships may also be relevant to for-profit organisations, but it is argued that it particularly fits the goals and missions of NPOs.

Hon and Grunig (1999:3) developed a public relationship measurement scale and found that public-organisation relationships can be measured by concentrating on the dimensions of *control mutuality*, *trust*, *satisfaction*, *commitment*, *exchange relationships* and *communal relationships*. They refer to these dimensions as

*relationship indicator outcomes* and posit that these indicators should be useful to communication specialists (they use the term public relations professionals) in identifying, sustaining and evaluating long-term relationships. As in Ledingham and Bruning's (1999) study, the focus is once again on the communication management function in an organisation to design, implement and evaluate stakeholder relationship management strategies.

Jo, Hon and Brunner (2004:15) endeavoured to test Hon and Grunig's proposed relationship measurement scale in an actual public relations context when they explored a university's relationship with its students. A notable outcome of their study was the possibility of a predictable sequence amongst the relational outcomes. Trust precedes satisfaction and commitment follows satisfaction (Jo et al 2004:25). Jo et al (2004:25) accept the limitations of this study and suggest that it should be extended to more types of organisations and stakeholders. However, the study was done in a university setting and since non-private universities (depending on its structure) can be classified as NPOs, the discovery of a sequential relationship between outcomes arguably provides the opportunity to examine stakeholder relationship outcomes in the NPO sector in a chronological manner. Wiggill (2014) researched relational outcomes in the NPO sector focussing on donor relationship management practices in the South African NPO sector. Trust, control mutuality, commitment and relationship satisfaction emerged as outcomes of strong relationships, and all the interviewed NPOs agreed that these outcomes characterised their strong relationships with donors, with trust and commitment being regarded as the most important relational outcomes (Wiggill 2014:283). Wiggill explored the relational outcomes, the relationship cultivation strategies and the types of relationships NPOs have with donors. It is posited that the results of this study may be generalised to NPO stakeholders other than only donors. The various terminologies pertaining to stakeholder-organisation relationships outcomes, warrant some elaboration, which is done in Table 5.9.

**Table 5.9: Explicating organisation-stakeholder relational outcomes**

| RELATIONAL OUTCOME | EXPLICATION  |
|--------------------|--|
| Trust              | <ul style="list-style-type: none"> <li>The level of confidence and willingness of parties to open themselves to one another. The three dimensions of trust are:</li> </ul> |



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| RELATIONAL OUTCOME             | EXPLICATION  |
|--------------------------------|--|
|                                | <ul style="list-style-type: none"> <li>○ <i>Integrity</i> – the belief than an organisation is fair and just</li> <li>○ <i>Dependability</i> – an organisation will do what it promises</li> <li>○ <i>Competence</i> – an organisation has the ability to fulfil a promise</li> </ul>  |
| Satisfaction                   | <ul style="list-style-type: none"> <li>• Parties feel positive towards each other and believe that benefits outweigh the costs.</li> </ul>   |
| Commitment                     | <ul style="list-style-type: none"> <li>• Parties believe and feel that it is worth dedicating resources to the relationship to sustain and enhance it. The two dimensions of commitment are: <ul style="list-style-type: none"> <li>○ <i>Continuance commitment</i> – referring to a certain line of action</li> <li>○ <i>Affective commitment</i> – an emotional orientation</li> </ul> </li> </ul> |
| Control mutuality              | <ul style="list-style-type: none"> <li>• Stable relationships require that organisations and stakeholders have some control over each other. Control mutuality refers to the degree to which these parties agree on the accepted level of power to influence each other.</li> </ul>  |
| Openness                       | <ul style="list-style-type: none"> <li>• Communication between the organisation and stakeholders is transparent, two-way and consultative.</li> <li>• Openness could also be regarded as a stakeholder maintenance strategy.</li> </ul>  |
| Involvement<br>(or engagement) | <ul style="list-style-type: none"> <li>• The organisation is involved in the well-being of its stakeholders and the community it serves.</li> <li>• Stakeholders are involved in the organisation's decision-making process.</li> </ul>  |
| Investment                     | <ul style="list-style-type: none"> <li>• The organisation is willing to invest time and resources into building quality relationships with stakeholders.</li> </ul>  |
| Exchange relationship          | <ul style="list-style-type: none"> <li>• This refers to the type of relationships between an organisation and a stakeholder, but can also be regarded as a relational outcome.</li> <li>• One party gives benefits to the other only because the other party is expected to do the same in the future, or has already done so.</li> </ul>  |
| Communal relationship          | <ul style="list-style-type: none"> <li>• As with exchange relationship, this refers to the type of relationships between an organisation and a stakeholder, but can also be regarded as a relational outcome.</li> </ul>   |

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| RELATIONAL OUTCOME | EXPLICATION   |
|--------------------|---|
|                    | <ul style="list-style-type: none"> <li>Parties provide benefits to each other because they are concerned about each other's welfare, even if they get nothing in return.</li> </ul> |

Source: Researcher's own construct conceptualised from Ledingham and Bruning (1998), Hon and Grunig (1999), Smith (2009), Slabbert (2012); Wiggill (2014).

For the purpose of this study the relational outcomes cited by most theorists, namely *trust*, *satisfaction*, *commitment* and *control mutuality* are regarded as relevant to the South African NPO environment. However, considering the mandate of NPOs to develop and uplift communities, as well as their lack of resources to do so, *involvement* and *investment* are also considered pertinent relational outcomes for this industry. The relevance of these relational outcomes to the NPO sector is contextualised in Table 5.10.

**Table 5.10 Relational outcomes of NPO stakeholder relationships**

| RELATIONAL OUTCOME | DESCRIPTION  | RELEVANCE TO NPOS  |
|--------------------|--|--|
| Trust              | <ul style="list-style-type: none"> <li>Trust implies the level of confidence stakeholders and organisations have in each other.</li> </ul>   | <ul style="list-style-type: none"> <li>NPOs must accept that a certain level of trust is necessary before a stakeholder would embark on a relationships with them. Trust, however, is a relational outcome in the sense that it is earned over time because an organisation has integrity and is perceived as dependable and competent.</li> </ul> |
| Satisfaction       | <ul style="list-style-type: none"> <li>Parties are positive about each other and believe that the benefits of being involved with one another outweigh the costs of doing so.</li> </ul> | <ul style="list-style-type: none"> <li>Research indicates that stakeholders will probably only be satisfied with organisations once they trust them. NPOs should therefore accept that satisfaction does not imply a short-term gratification, but a deeply seated contentment in the long run.</li> </ul>   |
| Commitment         | <ul style="list-style-type: none"> <li>The respective parties believe that it is worth committing resources to the relationship to develop, sustain and enhance it.</li> </ul>           | <ul style="list-style-type: none"> <li>Commitment is an important relational outcome for the NPO sector, since they largely rely on the commitment of donors and volunteers to achieve organisational goals. What is important though, is that NPOs</li> </ul>   |

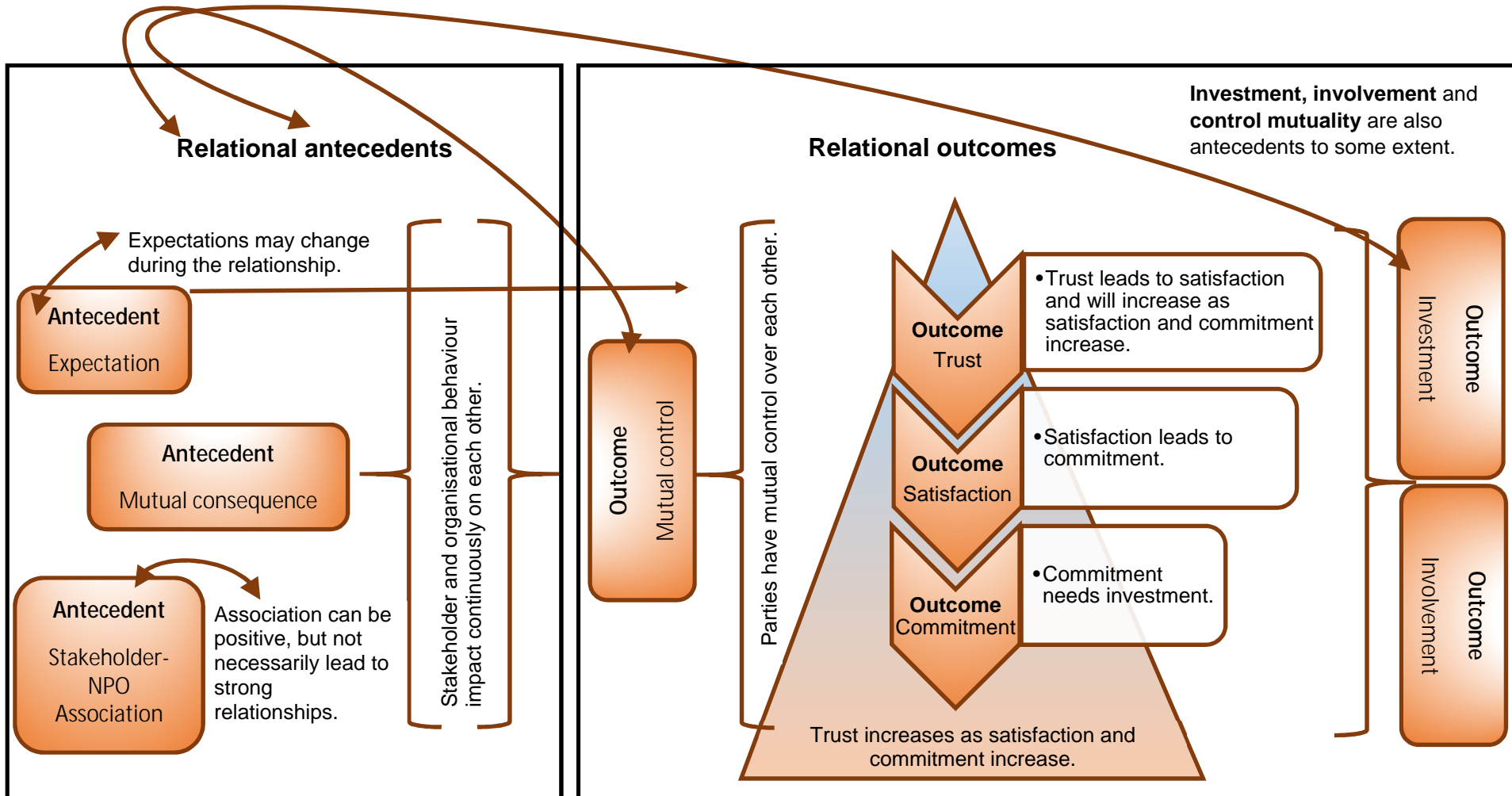
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| RELATIONAL OUTCOME       | DESCRIPTION  | RELEVANCE TO NPOS   |
|--------------------------|--|---|
|                          |  | should realise that commitment arguably follows satisfaction, which follows trust. In other words, NPOs cannot expect stakeholder commitment, if they have not earned their trust and satisfied their needs first. This in turn requires continuous commitment from management.   |
| Control mutuality        | <ul style="list-style-type: none"> <li>Organisations and stakeholders have some level of control over each other. Control mutuality refers to the degree to which these parties agree on the accepted level of power to influence each other.</li> </ul> | <ul style="list-style-type: none"> <li>NPOs must accept that stakeholders have some level of control over them, but that they also have a level of control over their stakeholders. However, control should be exercised with integrity and with the mutual agreement of stakeholders. If not, trust will be lost which will lead to the lack of satisfaction and ultimately the lack of commitment.</li> </ul> |
| Involvement (engagement) | <ul style="list-style-type: none"> <li>Not only is the organisation involved in the well-being of its stakeholders, but stakeholders are involved in the organisational decision-making process.</li> </ul>  | <ul style="list-style-type: none"> <li>NPOs generally exist because they are concerned about and involved in the well-being of certain stakeholders. They should, however, extend this concern to all their stakeholders and involve (or engage) as many of them as possible in their decision-making processes.</li> </ul>   |
| Investment               | <ul style="list-style-type: none"> <li>The organisation is willing to invest time and resources into building relationships with stakeholders.</li> </ul>  | <ul style="list-style-type: none"> <li>NPOs must accept that without investing adequate resources into their stakeholder relationship management practices, organisational goals will be met with difficulty.</li> </ul>  |

Source: Researcher's own construct.

Although relational antecedents and relational outcomes are often discussed in the literature as “before” and “after” elements in the context of relationships, it is posited that they do not exist completely independent from each other. From a metamodern perspective, antecedents and outcomes should be seen as interconnected, co-existing in a flexible relationship with one another. For example, *involvement* and

*investment* are regarded as relational outcomes, but are arguably at the same time antecedents, because without some form of involvement and investment at the start of a relationship, the relationship will probably never be established. This resonates with Hung's (2009:451) argument that relationships are spiralling entities and that essentially, "people in relationships act and react as relationships spiral forward and reshape reality". In the same fashion antecedents and outcomes could be regarded as not linear, but spiralling forward, and often backward, as situations and people change. The interconnected relationship between antecedents and relational outcomes is illustrated in Figure 5.1.



**Figure 5.1: Interconnected relationship between relational antecedents and relational outcomes**

Source: Researcher's own construct.

### 5.7.3 Organisation-stakeholder relationship maintenance strategies

A variety of terminologies is found in the literature pertaining to stakeholder maintenance strategies – all aimed at ensuring that once the stakeholder-organisation relationship has been established, it continues to grow and strengthen. The most prevalent terminologies are *building* (Grunig et al 1992:20; Hon & Grunig 1999:22; Tomlinson 2000:195), *cultivating* (Hon & Grunig 1999:22; Bridges & Nelson 2000:112; Grunig 2009:2-6; Hung 2009:443), *developing* (Grunig et al 2002:548), *maintaining* (Ehling 1992:622; Grunig & Huang 2000:32; Grunig et al 2002:548), *engaging* (Greenwood 2007:315; Noland & Phillips 2010:40) and *nurturing* (Ehling 1992:622; Tomlinson 2002:186).

It is, however, argued, that the discipline of *stakeholder relationship management* implies and encompasses all abovementioned terminologies and that activities such as *building, cultivating, developing, sustaining, maintaining, engaging* and *nurturing* should be regarded as inherent to the management of a stakeholder-organisational relationship. It is also the contention of this study that the various stakeholder relationship management theories, approaches, frameworks and models discussed in the previous chapter are all stakeholder relationship maintenance strategies containing these elements. Some postmodern scholars argue that relationships cannot be sustained, since they are dynamic and in continuous flux (Ströh 2009:215). It is, however, posited, that from a metamodern perspective, it is possible to introduce a modernistic, staged process for stakeholder relationship management, with the postmodern acceptance that the process should be organic and flexible. In keeping with the goal of this study to ultimately present a simplified stakeholder relationship management model for NPOs and to avoid confusion, *stakeholder relationship management* will thus be regarded as a sufficient and all-inclusive terminology when referring to stakeholder relationship maintenance strategies.

The stakeholder relationship management strategies discussed in the previous chapter, will therefore guide the selection of stakeholder relationship management strategies most relevant to and appropriate for the South African NPO sector.

## **5.8 A SELECTION OF STAKEHOLDER RELATIONSHIP MANAGEMENT STRATEGIES SUITABLE FOR SOUTH AFRICAN NON-PROFIT ORGANISATIONS**

The selection of stakeholder relationship management strategies deemed suitable for the South African NPO sector, is guided by the literature review discussed in the previous chapter, as well as the current state of the NPO sector in South Africa. This selection hinges on three fundamental principles: firstly, NPOs should have a clear understanding of what stakeholder relationship management entails, and must adopt a uniform worldview of the organisation's role in the practice of stakeholder relationship management; secondly, an NPO should not only know who their stakeholders are, but should understand their attitudes, expectations and perceptions thoroughly; thirdly, successful stakeholder relationship management is dependent on a strategy and an action plan which include constant, consistent and transparent communication. All three principles are supported by and aligned with certain stakeholder relationship management strategies as illustrated in the discussion to follow. Only the key aspects of these stakeholder relationship management strategies will be highlighted, since all have been discussed in detail in the previous chapter.

### **5.8.1 Principle one: Establish a clear understanding and uniform organisational worldview of stakeholder relationship management**

It is posited that stakeholder relationship management in the NPO sector is fragmented and mostly done intuitively. Although managers understand issues of accountability, obligations and social responsibility to stakeholders (Clarkson 1995:103; Friedman & Miles 2006:90), it is argued that stakeholder relationship management does not have a formal and permanent place in the strategic business planning of NPOs. It is also assumed that stakeholder relationship management training is lacking in the South African NPO environment and that NPO managers do not have the necessary skills to design effective stakeholder relationship management strategies. A number of stakeholder relationship management approaches have thus been selected to address these issues in the NPO environment in order to achieve the goal stated in principle one. These selected approaches explained in Table 5.11,

suggest that NPOs should have a worldview and an organisational culture supportive of the stakeholder relationship management function.

**Table 5.11: Approaches to stakeholder relationship management and its relevance to NPOs**

| APPROACH  | RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR   |
|---|---|
| The stewardship theory (Donaldson & Davis 1989)                               | <ul style="list-style-type: none"> <li>• A review of the literature revealed two important aspects pertaining to the South African NPO environment: <ul style="list-style-type: none"> <li>○ Very few NPOs employ full-time communication specialists or consultants.</li> <li>○ A lack of relevant management training in general, and arguably in the practice of stakeholder relationship management, is to some extent responsible for the crisis situation NPOs currently find themselves in.</li> </ul> </li> <li>• The stewardship theory holds that managers essentially want to do a good job and be good stewards of an organisation's assets, including its stakeholders.</li> <li>• Thus, NPOs with stewardship as a worldview, will practise the four elements of stewardship namely <i>reciprocity</i>, <i>responsibility</i>, <i>reporting</i> and <i>relationship nurturing</i>.</li> <li>• In order to do so, managers will take responsibility for their own education and will ensure that they are fully trained in the principles of stakeholder relationship management.</li> <li>• The role of the communication specialist or consultant, should the NPO employ one, will thus be to enable and empower management to be good stakeholder relationship managers, rather than being solely responsible for the stakeholder relationship function in the organisation.</li> </ul> |
| The descriptive, instrumental and normative theory (Donaldson & Preston 1995) | <ul style="list-style-type: none"> <li>• NPOs function in ever-changing environments and circumstances and a purely modernistic, systems driven approach to stakeholder relationship management is unrealistic.</li> <li>• From a metamodern perspective NPOs should accept that the stakeholder relationship management theory is at the same time</li> </ul>  |



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| APPROACH   | RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR   |
|--|---|
|  | <p>descriptive (describing how managers actually behave when dealing with stakeholders), instrumental (what will happen if managers behave in a certain manner) and normative (what should happen and what is the ideal).</p> <ul style="list-style-type: none"> <li>• This worldview implies that NPOs must be aware of their current stakeholder relationship management practices (or lack thereof), understand the impact of managers' behaviour on stakeholders, and design goals of how stakeholder relationship management should be practised in the organisation.</li> </ul> |
| <p>The relationship management theory<br/>(Ledingham &amp; Bruning 1998)</p>         | <ul style="list-style-type: none"> <li>• Management must accept that communication is a strategic tool in the establishing and sustaining of stakeholder relationships.</li> <li>• This does not imply that it is solely the responsibility of the communication specialist, but, from a stewardship perspective, that all managers should take responsibility for effective and strategic communication with stakeholders.</li> </ul>  |
| <p>The network theory of stakeholder influences<br/>(Rowley 1997)</p>                | <ul style="list-style-type: none"> <li>• The network theory of stakeholder influences argues that organisations are embedded in networks as much as stakeholders are tied to each other.</li> <li>• This implies that NPO managers should not operate in silos and be possessive about their stakeholders. An integrated and cross-divisional approach to stakeholder relationship management is needed.</li> </ul>   |
| <p>The communicative theory of the firm<br/>(Koschmann, Pfarrer &amp; Kuhn 2009)</p> | <ul style="list-style-type: none"> <li>• The communicative theory of the firm holds that organisations do not merely communicate, they <i>are</i> communication.</li> <li>• NPO managers must accept that they are not the focal hub, but part of a decentralised network of many stakeholder groups. This view also echoes the sentiments of the network theory of stakeholder influences.</li> <li>• NPO managers should accept that everything they say and do (or do not say or do) communicates.</li> </ul>  |

Source: Researcher's own construct.

In summary, it is thus argued that NPOs which adopt a worldview in which the organisational culture supports the concept of stakeholder relationship management, will have a greater chance of establishing and sustaining mutually beneficial stakeholder relationships. Such a worldview implies taking ownership, providing the necessary training, accepting that the organisation and its stakeholders are part of an intricate network, and that communication is a strategic tool in stakeholder relationship management practices. It is posited that only when such an organisational worldview has been firmly cemented in an organisation, would the implementation of the next principle, namely understanding who these stakeholders are and what their attitudes, expectations and perceptions entail, be possible.

### **5.8.2 Principle two: Identify strategic stakeholders and their attitudes, expectations and perceptions**

The second principle is based on the argument that effective stakeholder relationship management is highly unlikely without the identification of strategic stakeholders, a view supported by the extensive focus on stakeholder identification techniques in the literature (Freeman 1984; Grunig & Hunt 1984; Savage et al 1991; Grunig 1992; Clarkson 1995; Mitchell et al 1997; Frooman 1999; Rowley & Moldoveanu 2003). Stakeholder identification techniques vary from simple spoke-and-hub (Freeman 1984), primary and secondary stakeholder (Clarkson 1985) models to more sophisticated models taking stakeholders' salience, potential threats, interests, identities and level of dependence into account (Savage et al 1991; Mitchell et al 1997; Frooman 1999; Rowley & Moldoveanu 2003).

At the risk of becoming too complicated to implement in the NPO environment, only a few stakeholder identification techniques have been identified to assist with the identification and mapping of strategic NPO stakeholders, and thus the achievement of principle two. These techniques are discussed in Table 5.12.

**Table 5.12: Stakeholder relationship management identification techniques appropriate for the South African NPO sector**

| APPROACH   | RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR  |
|--|--|
| Stakeholder management framework (Freeman 1984)                      | <ul style="list-style-type: none"> <li>Freeman's stakeholder management framework moves the focus away from the shareholder and focusses on all the stakeholders of an organisation. This is an important principle for the NPO environment since the concept of shareholders is not relevant to them. Freeman's hub-and-spoke model of stakeholder <i>mapping</i> is a good starting point, but is regarded as insufficient in identifying <i>strategic</i> stakeholders and needs to be supplemented by other techniques.</li> </ul>   |
| The linkages model (Grunig & Hunt 1984)                              | <ul style="list-style-type: none"> <li>The linkages model uses Freeman's rational level to identify stakeholders according to their <i>linkages</i> to an organisation. This model will assist NPOs in grouping a random list of stakeholders together and therefore makes them more manageable. It does, however, provide no insight into the attributes of stakeholders such as their legitimacy, power and urgency and needs to be supplemented even further.</li> </ul>  |
| Stakeholder identification and salience (Mitchell, Agle & Wood 1997) | <ul style="list-style-type: none"> <li>The stakeholder identification and salience theory groups stakeholders together according to their level of <i>power</i>, <i>legitimacy</i> and degree of <i>urgency</i>. This theory will assist NPOs in understanding the attributes of stakeholders after they have mapped them using Freeman's stakeholder management framework, and grouped them according to their linkages to the organisation. Power, legitimacy and urgency are all variable attributes and NPOs should accept that they change and vary according to situations.</li> </ul> |

Source: Researcher's own construct.

Table 5.12 illustrates a phased approach to identifying strategic NPO stakeholders. Firstly, an NPO should draw a map of all its stakeholders without considering any issues or stakeholders' attributes. Secondly, once a complete map of all the stakeholders has been drawn, they should be grouped together according to their linkages to the NPO. Although Slabbert (2012:124) argues that stakeholder methodologies that focus on projects specifically when identifying strategic stakeholders lack theoretical depth, it is nonetheless the contention of this study that strategic stakeholders should be identified according to specific issues. It is posited that NPOs will simply end up with an endless list of stakeholders if they are not associated with specific issues (or projects). Thus, thirdly, NPOs should identify which

stakeholders could be regarded as *strategic* stakeholders by making use of Mitchell et al's (1997) theory of stakeholder identification and salience. This will place NPOs in a position to comprehend the level of power, legitimacy and urgency stakeholders have pertaining to a specific issue. It is argued that this phased approach will enable NPOs to focus on their most strategic stakeholders per issue, rather than spending their limited resources on a broad approach of managing all stakeholders simultaneously.

### **5.8.3 Principle three: Formal stakeholder communication strategies are key to effective stakeholder relationship management**

Koschmann (2007:22) states that NPOs have a difficult task in illustrating their effectiveness and success, since they cannot always rely on financial measurements such as profit margins or the share price to do so. He believes that communication with strategic stakeholders and sharing meaning with them will assist NPOs in communicating success stories and strengthening their relationships with stakeholders. Concurring with this argument, it is posited that the third important principle in NPO stakeholder relationship management is that of continuous, effective and strategic communication. However, since research has illustrated that South African NPOs mostly do not employ full-time communication specialists, it is suggested that NPO managers, in line with the principles of the stewardship theory, should take responsibility for formalised strategic stakeholder communication in the organisation. The communication strategies suggested in Table 5.13 will assist them with this task and the achievement of principle three.

**Table 5.13: Techniques to assist the South African NPO sector in designing formal stakeholder communication strategies**

| <b>APPROACH</b>                                    | <b>RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR</b>   |
|--|--|
| The situational theory of publics<br>(Grunig 1992) | <ul style="list-style-type: none"> <li>The situational theory of publics was developed to explain communication behaviour of individuals and illustrates why certain stakeholders are more actively involved in certain issues than others. It uses the variables of problem recognition, level of involvement and constraint recognition to identify strategic stakeholders. This theory will assist NPOs in</li> </ul> |

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| APPROACH   | RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR   |
|--|---|
|  | <p>understanding and accepting that different situations will affect stakeholders differently, and that strategic stakeholders must be re-identified as and when situations change.</p>   |
| <p>Stakeholder communication strategy typology (Gregory 2007)</p>  | <ul style="list-style-type: none"> <li>• Stakeholder involvement depends on their level of interest and/or power in a specific issue, and communication should become more focussed and individualised the more involved stakeholders become. All stakeholders are important and should be mapped, but not all stakeholders deserve an equal amount of communication energy and resources.</li> <li>• Once their level of power, legitimacy and involvement is known, it is possible to decide if the communication strategy should entail informing, consulting, involving or partnering with stakeholders. NPOs must accept that these communication strategies will change when situations and stakeholders' interest change.</li> </ul>   |
| <p>Combination of Hon and Grunig's (1999) relationship management strategies with elements of the stewardship theory (Waters 2011)</p> | <ul style="list-style-type: none"> <li>• Relationship management strategies centre largely on communication with stakeholders.</li> <li>• It is posited that Hon and Grunig's (1999:14-15) relationship maintenance strategies, which they derived from interpersonal relationship research, will assist NPOs in building and sustaining mutually beneficial relationships with stakeholders. These strategies are: <ul style="list-style-type: none"> <li>○ <b>Access</b> – NPO management should provide access to stakeholders and involve them in the organisational decision-making process.</li> <li>○ <b>Positivity</b> – NPOs and stakeholders alike should strive to make the relationship enjoyable for one another.</li> <li>○ <b>Openness</b> – thoughts and feelings among parties should be communicated and shared openly.</li> <li>○ <b>Assurances</b> – NPOs should ensure stakeholders that their concerns are legitimate and that they are committed to the relationship.</li> <li>○ <b>Networking</b> – NPOs should network and build relationships with the same groups with which their stakeholders are networking.</li> </ul> </li> </ul> |

| APPROACH | RELEVANCE TO THE SOUTH AFRICAN NPO SECTOR  |
|----------|--|
|          | <ul style="list-style-type: none"> <li>○ <b>Sharing of tasks</b> – NPOs should proactively involve stakeholders in the execution of their tasks.</li> <li>• Waters (2011:462-463) adds the four elements of stewardship to the six strategies listed. His focus is on the NPO-donor relationship, but it is argued here that these strategies could be employed to build and sustain relationships with all NPO stakeholders. They are:             <ul style="list-style-type: none"> <li>○ <b>Reciprocity</b> – NPOs must demonstrate gratitude toward their stakeholders. Stakeholders need to be acknowledged and know that they are appreciated.</li> <li>○ <b>Responsibility</b> – this implies that NPOs must keep their promises in order to build trust.</li> <li>○ <b>Reporting</b> – NPOs must keep stakeholders informed about developments on relevant issues and must provide accountable and accurate information to stakeholders.</li> <li>○ <b>Relationship nurturing</b> – extra effort must be made to nurture relationships since demonstrating such concern will benefit the NPO in the long run and particularly in the case of a crisis.</li> </ul> </li> </ul> |

Source: Researcher's own construct.

The foregoing discussion suggests a number of factors NPO management should consider and accept, should they wish to implement effective stakeholder relationship management strategies.

Firstly, they must understand that relationships are not established in a vacuum, but are preceded by certain antecedents. Through formal research and evaluation, NPOs should understand their stakeholders and be aware of the nature of the existing antecedents such as stakeholders' *expectations* of the organisation, what the *mutual consequences* of each party's behaviour could be, and how strongly stakeholders *associate* with the NPO and its cause.

Secondly, management should strategise specific relational outcomes and position them as explicit goals to be obtained when implementing a stakeholder relationship management strategy. It is posited that desirable relational outcomes for the NPO sector are *trust, satisfaction, commitment, control mutuality, involvement* and *investment* as discussed in Table 5.10.

Thirdly, once the antecedents are known and the desired relational outcomes have been formalised as goals, a stakeholder relationship management strategy should be designed. This must be done accepting that a clear understanding and a uniform organisational worldview of stakeholder relationship management are imperative (principle one), that strategic stakeholders need to be identified before embarking on any action (principle two) and that formal stakeholder communication strategies are key to effective stakeholder relationship management (principle three).

It is thus argued that, in typical modernistic fashion, NPOs should structure, plan, manage and execute their stakeholder relationship management strategies and activities diligently. From a postmodern perspective, however, it is accepted that South African NPOs function in an ever-changing environment, stakeholders cannot be managed, and relationships are not static, but an ongoing process. From a metamodern perspective it is, however, posited that although stakeholders cannot be managed, the *quality* of stakeholder relationships can be managed to some extent and that two-way, transparent communication not only contributes to organisational effectiveness, but also assists in nurturing quality relationships (Hung 2009:469).

The nature of the South African NPO sector has changed over years and more changes are in the pipeline. Government has been exploring the implementation of a new NPO Act since 2012 and Inyathelo: The South African Institute for Advancement produced a report in which some of Government's proposed changes were accepted and some rejected. It does not fall within the scope of this study to discuss the merits of the new proposed NPO Act, except to highlight the fact that Inyathelo stated in their report that they "reject the implementation of mandatory governance rules or codes by Government". They argue that the NPO sector should have the right to "self-regulate" in this regard, and request the recognition of The Independent Code of Governance for Non-Profit Organisations in South Africa (Inyathelo 2014). What is however

pertinent in considering the changing NPO environment is that, should they wish to “self-regulate”, attention should also be paid to stakeholder relationship management as a governing principle. South African NPOs should therefore, in spite of the many limitations they face such as the lack of knowledge and resources, strive to implement formal stakeholder relationship management strategies in their organisations.

## **5.9 A METAMODERN CONCEPTUAL FRAMEWORK FOR STAKEHOLDER RELATIONSHIP MANAGEMENT FOR SOUTH AFRICAN NON-PROFIT ORGANISATIONS**

Key (1999:317) posits that social systems are so complex that it makes modelling in this environment almost impossible. This resonates with Ströh's (2009:206) view that the intricate relationship between systems and the environment is too complex to understand in a postmodern world. She (2009:200) argues in favour of less linear and more participative approaches to communication management, criticising the modernistic, structured approaches found in traditional communication management methodologies. She (2009:203,212) questions the value of formulating communication strategies in managing stakeholder relationships, and posits that existing strategic communication models are too deterministic, logic, linear and process driven. She adds that they are often designed by top management or the dominant coalition which suggests a top-down approach. From a postmodern perspective, she argues, the focus should not be on measuring outputs or behavioural outcomes, but on relationship processes by practising constant dialogue and debate. Communication strategies, and arguably stakeholder relationship management strategies, should therefore be aimed at building democratic processes and healthy two-way relationships (Ströh 2009:213).

Ströh (2009:216) does not reject linear and logical strategies outright, but calls for more creative approaches in designing and implementing these, since the unpredictability of the business environment makes it very difficult for managers to control the implementation of inflexible strategies. Postmodern tendencies will thus be considered when proposing a stakeholder relationship management framework for NPOs, but it will be done in a practical and sensible manner (Jensen & Sorensen 2012:112) applicable to the current South African NPO environment. It is posited that



a metamodern approach in designing such a framework will satisfy Ströh's call for a more creative and flexible methodology. In line with the metamodern worldview of this study, the proposed framework will therefore be structured and somewhat linear, but with the proviso that it remains a flexible and an organic process during which the implementer of the framework has the freedom to return to any previous step in the framework to make adjustments. This approach resonates with Mitroff's (1983:164) view that completeness, closure and certainty are unrealistic expectations in the new picture of the world, and that managers should accept that harbouring these expectations would make them less effective in dealing with complex problems.

The proposed stakeholder relationship management framework for NPOs will be presented in a stage-by-stage manner in order to simplify it for the NPO environment, but the integrated relationship between the stages will be illustrated at the same time. These stages are constructed from knowledge gained through the foregoing literature review. The ultimate aim is to refine the proposed framework into a workable model by utilising the feedback and data obtained in the empirical research phase of this study.

Concurring with Mitroff (1983:164) that "assumptions form the crux of modern life", the proposed stages will be based on certain assumptions derived from the literature review. Each assumption will be followed by an appropriate proposition in order to contextualise the suggestions and reasoning behind each stage. Theorists define a proposition as a statement about the relationship amongst concepts which may or may not have been tested concepts (Berg 2007:21; De Vos, Strydom, Fouché & Delport 2011:34; Neuman 2011:68; Babbie 2016:45).

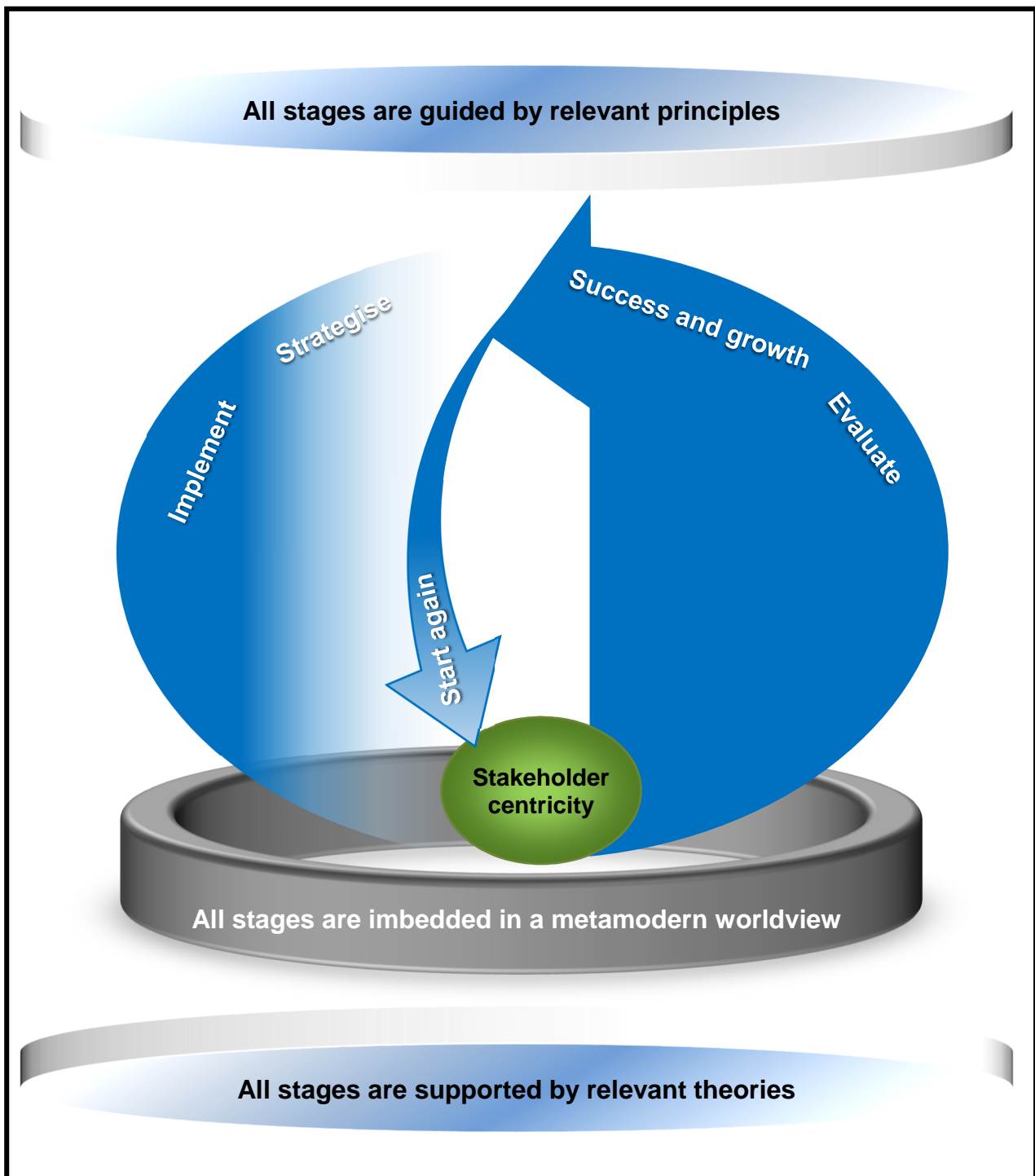
Four stages are proposed – each guided by one of the three principles in the foregoing discussion, each supported by a number of theories elaborated on in previous chapters, and each embedded in the metamodern worldview of this study.

In all four stages the stakeholder and the relationship remains centric to the process, rather than the organisation. This reiterates the relevance of integrated communication, considering Niemann's (2005:28) viewpoint that strategic integrated communication will lead an organisation to greater stakeholder centricity. It also

resonates with Ferguson's (1984:16) argument that a relationship-centric focus would regard relationships as the prime issue, as pointed out earlier.

Although the logical steps of strategise, implement, evaluate and subsequent success and growth, are illustrated in a linear and consecutive fashion, it is accepted that the entire process may have to be restarted at any point in time.

The stages are therefore presented in a modernistic and linear fashion for the sake of simplicity and clarity, but will in reality overlap in a flexible manner, allowing and sometimes forcing stakeholder relationship managers to relook and return to previous stages or even start at the beginning. It is posited that the successful implementation of these stages would lead to organisational success and growth. Figure 5.2 illustrates these fundamental concepts which are relevant to all stages.



**Figure 5.2: Supportive platforms of the conceptual NPO stakeholder relationship management framework**

Source: Researcher's own construct.

**5.9.1 Stage one: Empower management to understand, accept and apply the concepts of stakeholder relationship management**

As discussed earlier, research indicates that stakeholder relationship is common sense to some extent, and that managers do it intuitively. Managers, from a stewardship theory perspective, want to do a good job and protect the interests of both the organisation and its stakeholders (Donaldson & Davis 1989:50-51). It is posited that the same is arguably true for NPO management and that most of them consider good relationships with stakeholders important, but that the majority of South African NPOs do not manage stakeholder relationships strategically (Wiggill 2009:197). Stage one is proposed in the light of the fact that it was indicated that most South African NPOs seemingly do not employ full-time communication specialists (Wiggill 2009: 87; Holtzhausen 2014:291), and that NPO managers should therefore take responsibility for and ownership of the stakeholder relationship management function. Stage one is guided by the assumption and proposition stated next.

***Assumption one***

NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.

***Proposition one***

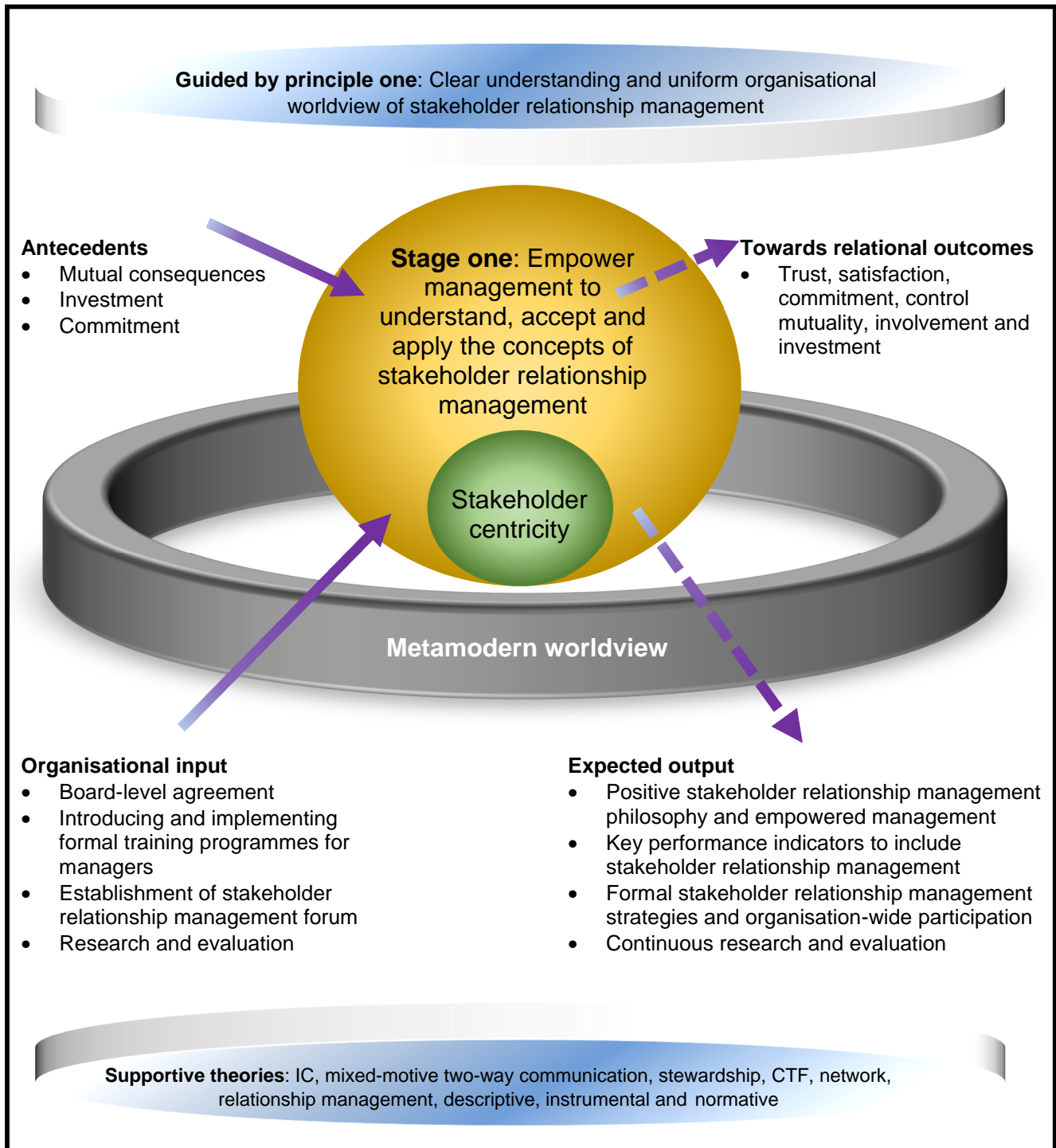
Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.

Based on abovementioned assumption and proposition, it is posited that NPOs will struggle to reach acceptable levels of stakeholder relationship management capabilities if their managers are not equipped and trained to manage stakeholder relationships strategically. This view is underscored by Post et al's (2002:22) argument that stakeholder relationship management should be an organisational core competency, since it is key to the effective implementation of stakeholder relationship management practices, as well as Savage et al's (1991:62) proposition that management is responsible for developing the organisation's competence for

stakeholder relationship management. Thus, the first stage in establishing a stakeholder relationship management strategy, involves building the stakeholder relationship management capabilities of the NPO by training management in the concepts of stakeholder relationship management. Communication managers should be included in this process, should the NPO employ a full-time or part-time communication specialist, consultant or agency to manage its communication strategies. The proposed training programmes should include training on all the stakeholder and communication concepts proposed in stages two, three and four in order to enable management and/or communication specialists to execute these stages. The proposal of training as a component in developing a stakeholder relationship management framework points to the unique contribution of this study, since no other framework or model found in the literature specifies this as a necessary component.

Stage one, namely, *empower management to understand, accept and apply the concepts of stakeholder relationship management*, is graphically illustrated in Figure 5.3, whereafter each component is briefly interpreted in Table 5.14.

GRAPHIC ILLUSTRATION OF STAGE ONE FOR A METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK FOR NPOs



**Figure 5.3: Stage one: Empower management to understand, accept and apply the concepts of stakeholder relationship management**

Source: Researcher's own construct.

The components of stage one have all been discussed in the forgoing chapters, but it is necessary to explain the relationship between them and their relevance to this stage in order to understand Figure 5.3. This is done in Table 5.14.

**Table 5.14: Contextualising stage one**

| STAGE ONE   |
|---|
| <i><b>Empower management to understand, accept and apply the concepts of stakeholder relationship management.</b></i>   |
| GUIDED BY PRINCIPLE ONE   |
| <p>Stage one is embedded in <b>principle one</b> which states the following:</p> <p><i><b>Establish a clear understanding and uniform organisational worldview of stakeholder relationship management.</b></i></p> <p>It is argued that this principle will only become a reality when management is trained in the basic principles of stakeholder relationship management and embraces the relevance and importance of this concept to organisational success.</p>  |
| SUPPORTIVE THEORIES AND MODELS  |
| <p>Stage one is guided by a number of theories which have been selected in the forgoing discussions, and the relevance of these theories to stage one of the proposed framework is illustrated next.</p> <ul style="list-style-type: none"> <li>• Integrated communication – integrated communication should not be seen as the responsibility of only the communication specialist. For integrated communication to become a reality, everyone in the organisation should be involved and the process should be driven by line management.</li> <li>• Mixed-motive two-way communication (Grunig 2001) – the principle of two-way communication stems from the excellence theory. Practising the mixed two-way communication model will lead to organisation-wide understanding and acceptance that stakeholders' views and perceptions matter.</li> <li>• The stewardship theory (Donaldson &amp; Davis 1989) – managers see themselves as stewards of the organisation and take ownership of stakeholder relationship management. Stakeholder relationship management is no longer delegated to the communication specialist, should the NPO employ one.</li> <li>• The communicative theory of the firm (Koschmann 2009) – managers understand that the organisation constitutes communication and that everything they do or say (or do not say or do) communicates certain messages to stakeholders.</li> <li>• The network theory of stakeholder influences (Rowley 1997) – managers accept they are not the focal hub of the NPO, but that the organisation functions in an intricate network of stakeholders, as much as these stakeholders are part of other networks.</li> </ul> |

- The relationship management theory (Ledingham & Bruning 1998) – managers accept that stakeholder relationship management is a management function and that they should take responsibility for the function which includes the acceptance of communication as a strategic tool in building stakeholder relationships.
- The descriptive, instrumental and normative stakeholder theory (Donaldson & Preston 1995) – NPOs must be aware of their current stakeholder relationship management practices (descriptive), understand the impact of managers' behaviour on stakeholders (instrumental), and design goals of how stakeholder relationship management should be practised in the organisation (normative).

### **ORGANISATIONAL INPUT DURING STAGE ONE**

In order to achieve the goal stated in principle one, NPOs should be willing to provide certain input into the process which are proposed next:

- Agreement on board level on the need for and the importance of formal stakeholder relationship management strategies in the organisation.
- Approval on board level for the development and implementation of stakeholder relationship management training programmes and the subsequent investment of the necessary resources.
- Development of a formal and continuous stakeholder relationship management training programme for identified key managers.
- Identification of key managers to be trained in stakeholder relationship management.
- Establishment of a stakeholder relationship management forum responsible for the development of continuous training programmes and the offering of support and mentoring. New internal structures may be required and a forum should be put in place to oversee the stakeholder relationship management processes.
- Roll-out of training programmes to other relevant NPO employees.
- Regular evaluation of successful implementation of training programmes.

### **EXPECTED OUTPUT AFTER IMPLEMENTING STAGE ONE**

It is posited that an NPO could expect certain outputs once it has successfully implemented a stakeholder relationship management training programme, namely:

- Management's philosophy towards stakeholder relationship management is positive and in support of training and the implementation of standardised processes for stakeholder relationship management.
- Management is empowered and trained in the concepts of stakeholder relationship management.
- Management's key performance indicators (KPIs) include measurements for the successful application of stakeholder relationship management, thus forcing them to take responsibility for the function.
- The NPO practises organisation-wide stakeholder relationship management and the function is no longer the responsibility of certain individuals only, or only practised in certain critical instances.
- Stakeholder relationship management is driven by formal strategies and processes in support of the business strategy and aligned with the NPOs vision, mission and values.



- Evaluation research is accepted as a prerequisite for successful stakeholder relationship management.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

It is argued that antecedents and relational outcomes already play a role in the early stages of a stakeholder relationship management framework. The following explanation illustrates the relevance and interrelatedness of antecedents and relational outcomes in stage one.

#### Relevant antecedents

- *Mutual consequences* – managers should understand that their behaviour has consequences for stakeholders and that empowering themselves in the concepts of stakeholder relationship management will have positive consequences for stakeholders, which will eventually translate into positive consequences for the organisation.
- *Investment* – investment is regarded by most theorists as a relational outcome, but in this context, it should also be seen as an antecedent. Without the necessary investment from the NPO's side in terms of allocating resources towards the proposed development programme, the stakeholder relationship management strategy will struggle to get off the ground.
- *Commitment* – although generally regarded as a relational outcome, commitment from particularly the board and top management is seen as a necessary antecedent before embarking on the process.

#### Relevant relational outcomes

- It is posited that, should stage one be implemented successfully, all the proposed relational outcomes of *trust, satisfaction, commitment, control mutuality, involvement and investment* become achievable goals.

Successful implementation of stage one ultimately leads to

### THE ACHIEVEMENT OF PRINCIPLE ONE

***A clear understanding and uniform organisational worldview of stakeholder relationship management.***

Source: Researcher's own construct.

From a metamodern worldview it is thus proposed that managers should not disregard the postmodernistic tendency to practise stakeholder relationship management based on intuition and common sense, but that modernistic, structured processes should be added to this approach and that managers must learn to comfortably oscillate between the two principles. This would enhance the organisation's maturity, to use Bourne's (2009:84) term, to deal with stakeholder relationship management. It is also posited that such training and development programmes should be an ongoing process in the

organisation and that stage two could commence whilst stage one is in progress, thus overlapping each other.

### **5.9.2      Stage two: Reach internal consensus about strategic organisational issues**

Analysing the internal and external environment in order to identify strategic issues faced by organisations, seemingly does not feature as a formal stage or step in the stakeholder relationship management frameworks or models found in the literature. Presumably, these theorists assume that organisations have gone through this exercise in order to come up with strategic business plans and, in fact, many theorists agree that stakeholder relationship management strategies should be guided by specific issues and situations.

Savage et al (1991:62) explicitly state that situations and issues at hand will determine the significance of stakeholders and that relevant (or strategic) stakeholders at any particular time, will depend on a particular issue. Holtzhauzen (2000:97) argues that “a postmodern approach will be to address symmetry not at the macro-level but to address it in particular situations by focusing on what is right and just in those situations”. According to her, a postmodern paradigm urges management to focus on an immediate problem, rather than focussing on vague macro-level issues. She uses an organisational two-way communication policy as an example and states that when it is designed as a metanarrative in the form of a broad policy, those who are to implement it, are not equipped to do so. It is posited that this argument is equally true for broad metanarrative stakeholder relationship management strategies, and that these strategies should rather focus on specific and immediate problems or issues. Bourne (2009:80) confirms this with her Stakeholder Circle<sup>®</sup> methodology when she states that a unique stakeholder community will exist for each different activity or project.

Almost all existing stakeholder relationship management frameworks or models, as indicated in the previous chapter, include the identification of strategic stakeholders by mapping them (Freeman 1984), linking them to the organisation (Grunig & Hunt 1984), focussing on their potential for threat or support (Sagave et al 1991), or identifying

their legitimacy, power and interest (Mitchel et al 1997). None of these models, however, suggests the identification of strategic issues faced by the organisation as a stage before identifying strategic stakeholders.

It is the contention of this study that identifying strategic stakeholders without identifying strategic organisational issues and without linking stakeholders to these issues, would be falling into the metanarrative trap as described by Holtzhausen (2000:97). It is therefore posited that a thorough analysis of the internal and external environment should be done (or relooked if it has been done), and that strategic organisational issues should be identified and prioritised before embarking on designing a stakeholder relationship management strategy. This resonates with Steyn and Puth's (2000:54) argument that the communication specialist should be well informed about the internal and external environment before embarking on designing a corporate communication strategy. They, however, suggest the analysis of only the internal environment as a first step in designing such a strategy. It is proposed that stage two should include the analysis of the external environment as well, since both internal and external issues impact on stakeholders. Stage two is thus guided by the assumption and proposition presented next.

***Assumption two***

NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do not link strategic stakeholders to specific, prioritised, strategic organisational issues.

***Proposition two***

Effective stakeholder relationship management strategies are aligned with organisational business strategies and also focus on strategic stakeholders based on current and strategic organisational issues.

The second stage in designing a stakeholder relationship management strategy is a careful investigation of the strategic internal and external issues faced by the organisation. It does not fall within the scope of this study to expand on the various methods available to do this, suffice it to mention a few. The strengths, weaknesses,

opportunities and threats (SWOT) analysis, developed in the 1960s by Albert S Humphrey, is still regarded as a useful tool in identifying strengths and weaknesses (mostly internal to the organisation) or opportunities and threats (mostly external to the organisation) (Mind Tools 2016). Other methods include the TOWS Matrix which also focusses on strengths, weaknesses, opportunities and threats, but with a stronger emphasis on external factors (Mind Tools 2016), SCOPE - planning situation, core competencies, obstacles, prospects and expectations – which expands on the SWOT ideas and SOAR, which uses positive-thinking methods to analyse strengths, opportunities, aspirations and results (Winston 2016).

Regardless of the method an NPO chooses to use, it should result in a clear understanding of internal and external strategic issues faced by the organisation, whereafter these issues should be prioritised according to the urgency to resolve or pay attention to them. These issues could be broad issues such as addressing the reputation of the organisation, or specific and focussed such as a fundraising event. Nonetheless, they should be specified and linked to relevant stakeholders.

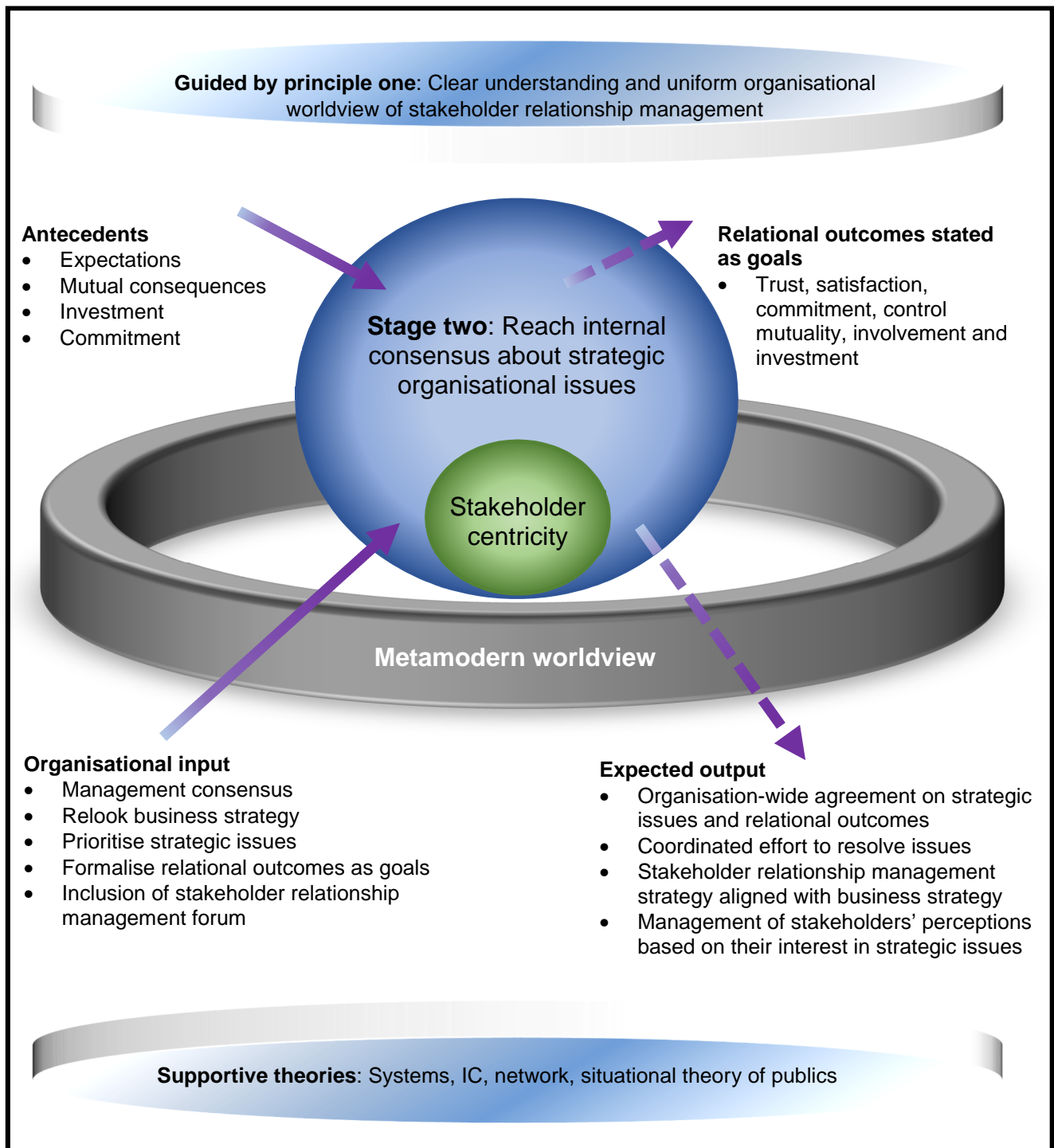
Moving away from the general notion that relational outcomes are a product or a result of certain relationship strategies, it is suggested that the desired relational outcomes should already be stated as formal organisational goals at this stage.

The relevant relational outcomes for the NPO sector of *trust, satisfaction, commitment, control mutuality, involvement* and *investment* as discussed in section 5.7.2, are arguably already contained in the organisational values of many NPOs and may be regarded as common sense. Ledingham and Bruning (1998:63) illustrated that the relationship dimensions of these relational outcomes in organisation-stakeholder relationships play a pivotal role in determining which stakeholders stay, leave or remain undecided. They also argued that communication management programmes could be designed around relationship goals if the communication management function is viewed as a relationship management function and recognises relationships as central to communication management, echoing Ferguson's (1984) call for relationships to be the central focus of communication management research. It is therefore posited that the desired relational outcomes for the NPO sector mentioned previously, should be formalised as desired goals and should be written into

stakeholder relationship management strategies. This will enable NPOs to actually measure and evaluate the status of their stakeholder relationships after the implementation of a stakeholder relationship management strategy.

This process is regarded as stage two, namely *reach internal consensus about strategic organisational issues*, and is graphically illustrated in Figure 5.4 after which each component is discussed in detail in Table 5.15.

GRAPHIC ILLUSTRATION OF STAGE TWO FOR A METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK FOR NPOs



**Figure 5.4: Stage two: Reach internal consensus about strategic organisational issues**

Source: Researcher's own construct.

The components of stage two have all been discussed in the forgoing chapters, but it is necessary to explain the relationship between them and their relevance to this stage in order to understand Figure 5.4. This is done in Table 5.15.

**Table 5.15: Contextualising stage two**

| STAGE TWO  |
|--|
| <i>Reach internal consensus about strategic organisational issues.</i>   |
| GUIDED BY PRINCIPLE ONE  |
| <p>Stage two is embedded in <b>principle one</b> which states the following:</p> <p><i>Establish a clear understanding and uniform organisational worldview of stakeholder relationship management.</i></p> <p>It is argued that all managers in the organisation should have consensus about the strategic issues facing the organisation and about the priority order in which these issues should be addressed. This will assist in creating a uniform organisational worldview of stakeholder relationship management and will prevent fragmented and reactive stakeholder relationship management efforts.</p>  |
| SUPPORTIVE THEORIES AND MODELS   |
| <p>Stage two is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage two of the proposed framework is illustrated next.</p> <ul style="list-style-type: none"> <li>• The systems theory – from the adaptive open systems perspective organisations manage relationships in internal subsystems (internal stakeholders), as well as in suprasystems (external stakeholders) and must therefore understand issues within these systems.</li> <li>• Integrated communication – integrated communication would be easier to implement once everyone in the organisation agrees on which strategic issues should be addressed first.</li> <li>• The network theory of stakeholder influences (Rowley 1997) – by analysing both the internal and external environments, managers will realise and accept that the organisation functions in an intricate network of stakeholders, as much as these stakeholders are part of other networks.</li> <li>• The situational theory of publics (Grunig 1992) – certain stakeholders are more actively involved in certain issues than others, and stakeholders' reactions and behaviour depend on their interest in particular issues. It therefore stands to reason that these issues should be identified and acknowledged by the organisation.</li> </ul> |

### ORGANISATIONAL INPUT DURING STAGE TWO

In order to achieve the goal stated in principle one, NPOs should be willing to provide certain input into the process of stage two which are proposed next:

- Reach consensus on management level that the stakeholder relationship management strategy should be aligned with, and support the business strategy.
- Relook the business strategy (assuming it exists) and identify strategic issues.
- Prioritise these issues in order of importance by considering organisational and stakeholder needs.
- Formalise desired relational goals of *trust*, *satisfaction*, *commitment*, *control mutuality*, *involvement* and *investment* as organisational goals.
- Include the stakeholder relationship management forum, established in stage one, in the process.

### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE TWO

It is posited that an NPO could expect certain outputs once it has successfully implemented stage two, namely:

- Organisation-wide agreement on the strategic issues facing the organisation.
- Organisation-wide agreement on relational goals to work towards.
- Coordinated effort to resolve the pressing issues in the interest of the organisation as well as stakeholders.
- A stakeholder relationship management strategy in support of organisational goals and the business strategy.
- Management of stakeholders' perceptions and relationships, based on issues relevant to said stakeholders.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

It is argued that antecedents and relational outcomes both play a role in the early stages of a stakeholder relationship management framework. The following explanation illustrates the relevance and interrelatedness of antecedents and relational outcomes in stage two.

#### **Relevant antecedents**

- *Expectations* – by identifying strategic issues and linking them to specific stakeholders, expectations of both the organisation and stakeholders will become clear.
- *Mutual consequences* – strategic issues faced by the organisation have consequences for both the organisation and stakeholders and these consequences must be acknowledged and understood.
- *Investment* – investment is regarded by most theorists as a relational outcome, but in this context, it should also be seen as an antecedent. Reaching consensus on the strategic issues faced by the organisation will require investment in the form of time and effort from management.
- *Commitment* – although also regarded as a relational outcome, commitment from top management is deemed a necessary antecedent in order for this process to be successful.



**Relevant relational outcomes**

- It is posited that, should stage two be implemented successfully, all the proposed relational outcomes of *trust*, *satisfaction*, *commitment*, *control mutuality*, *involvement* and *investment* will not only be formalised goals, but will be measured and evaluated as achieved or not.

**Successful implementation of stage two ultimately leads to**

**THE ACHIEVEMENT OF PRINCIPLE ONE**

***A clear understanding and uniform organisational worldview of stakeholder relationship management.***

Source: Researcher's own construct.

The implementation of stage two may arguably seem unnecessary to some NPOs. However, it is argued that although it is acceptable to address particular issues by focussing only what is justified at that point in time (Holtzhausen 2000:97) in a typically postmodern fashion, it is nonetheless important to identify those issues in a modernistic, structured manner and to achieve organisation-wide consensus on what they are. Without doing this, NPOs will attempt to manage stakeholders without being able to identify which stakeholders are strategic and therefore deserve more attention at any point in time. This approach resonates with Freeman's (1984:43) view that the stakeholder theory is "managerial, connected with the practice of business and of value creation". Once NPOs are comfortable that they understand and are in agreement about the priority in which strategic issues should be addressed, they are ready to move on to stage three which involves mapping and identifying strategic stakeholders.

### **5.9.3 Stage three: Map stakeholders and identify strategic stakeholders**

Many theorists propose the identification of strategic stakeholders as a critical, first phase in a stakeholder relationship management framework or model (Freeman 1984; Fassin 2009; Slabbert 2012). Agreeing that this phase is critical, it is however posited that it should not be the starting point for designing a strategic stakeholder relationship management strategy, but should follow stages one and two as described. It is argued that NPOs which endeavour to identify strategic stakeholders without the necessary

knowledge about the stakeholder approach and theory (stage one) and without an exact understanding of the strategic issues in the internal and external environments (stage two), would end up with a vague and endless list of stakeholders with no distinct indication of whom to address first, and in which manner. In such a scenario it becomes clear what Mitchell et al (1991:853; 871), as stated before, implied when they said that the stakeholder theory offers a “maddening variety” of how to identify stakeholders, and that the broad concept of who a stakeholder is and that an organisation can affect or be affected by basically anyone, is “bewilderingly complex” for managers to understand and apply.

NPOs arguably experience this confusion when considering who their stakeholders are and to which relationship building activities they need to allocate their limited resources. Stage three is built on the assumption and subsequent proposition.

***Assumption three***

NPOs define stakeholders broadly and not strategically, resulting in reactive stakeholder relationship management, since those stakeholders who are the most vocal, receive the most attention.

***Proposition three***

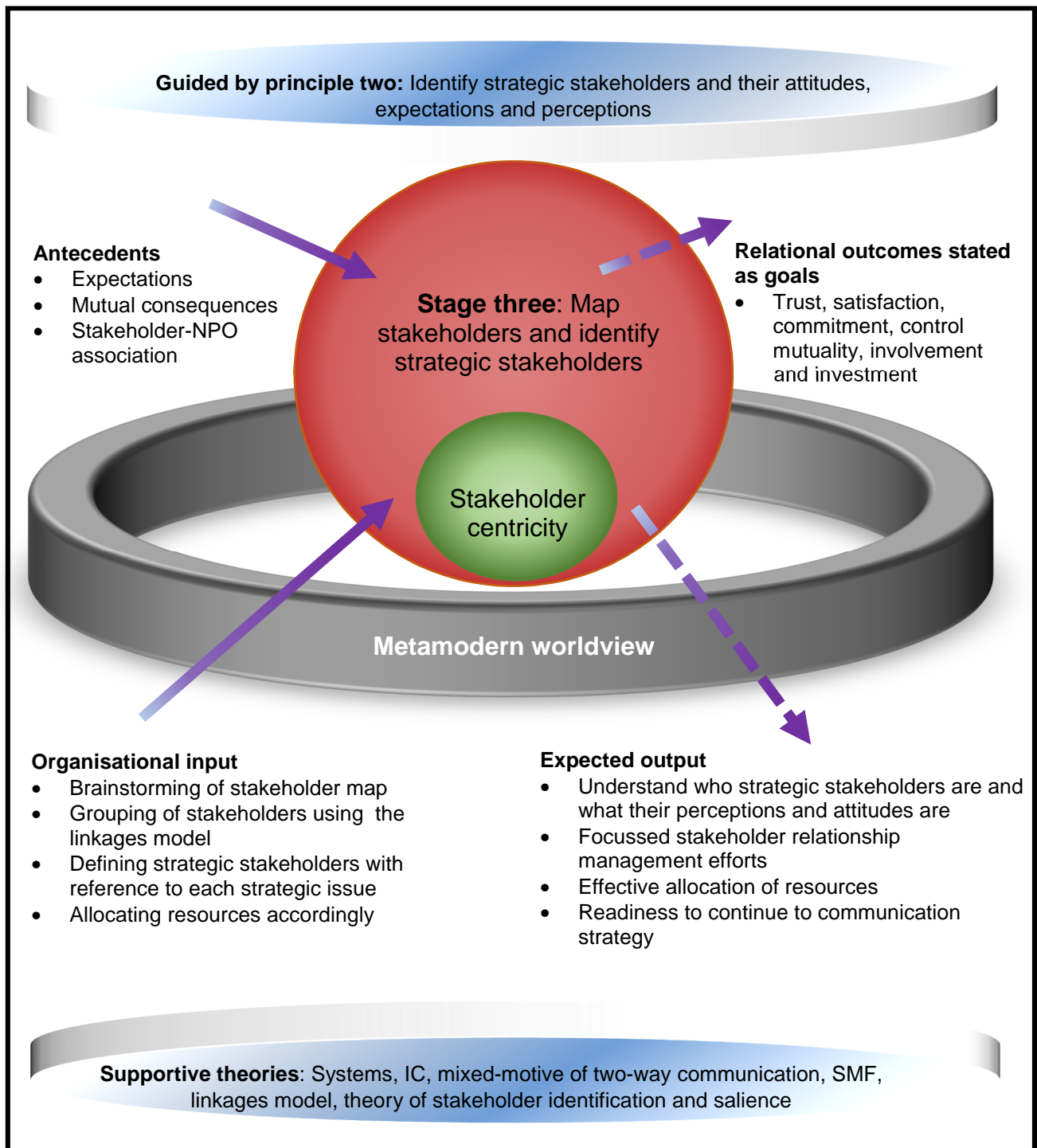
All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.

Stage three is guided by principle two namely *identify strategic stakeholders and their attitudes, expectations and perceptions* and proposes a three-step approach to mapping and identifying strategic stakeholders. By doing this, NPOs will be able to design stakeholder relationship management strategies from the stakeholders’ perspectives and not only from the organisation’s and will as such, profit from this collaborative approach (Svendson 1998:45).

The first step of stage three employs Freeman’s (1984) hub-and-spoke model and involves mapping all stakeholders who, at any point in time, have or could have a stake

in the organisation. The second step is to create some sense of order and to group this broad list of stakeholders by their relation or link to the organisation. This is done by means of Grunig and Hunt's (1984) linkages model in which stakeholders are identified as either enabling, functional, normative or diffused. In the third step the strategic issues identified in stage two take centre stage. Using Mitchell et al's (1997) theory of stakeholder identification and salience, NPOs are now in a position to identify which stakeholders are salient and therefore strategic by looking at their level of legitimacy, power over and interests in each identified strategic issue. The fact that the organisation is ready and mature to implement stakeholder relationship management, that managers are trained and skilled in this practice and that there is organisation-wide agreement about the current strategic issues as well as the desired relational outcomes – all as a result of having implemented stages one and two – makes stage three a relatively simple one. Figure 5.5 graphically illustrates stage three, namely *map stakeholders and identify strategic stakeholders*, after which each component is discussed in Table 5.16.

GRAPHIC ILLUSTRATION OF STAGE THREE FOR A METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK FOR NPOs



**Figure 5.5: Stage three: Map stakeholders and identify strategic stakeholders**

Source: Researcher's own construct.

The components of stage three have all been discussed in the forgoing chapters, but it is necessary to explain the relationship between them and their relevance to this stage in order to understand Figure 5.5. This is done in Table 5.16.

**Table 5.16: Contextualising stage three**

| STAGE THREE  |
|--|
| <b><i>Map stakeholders and identify strategic stakeholders</i></b>   |
| GUIDED BY PRINCIPLE TWO  |
| <p>Stage three is embedded in principle two which states the following:</p> <p><b><i>Identify strategic stakeholders and their attitudes, expectations and perceptions.</i></b></p> <p>Stage two argued that stakeholders should be linked to specific issues. Once this has been done and in order to understand how to deal with these stakeholders, it is imperative that NPOs understand stakeholders' attitudes and perceptions pertaining to specific issues. This will assist NPOs to pay attention to stakeholder relationships in a focussed manner and allocate resources accordingly.</p>   |
| SUPPORTIVE THEORIES AND MODELS   |
| <p>Stage three is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage three of the proposed framework is illustrated next.</p> <ul style="list-style-type: none"> <li>• The systems theory – feedback is regarded as important in the systems theory which implies mutual exchange of influence. A systems approach reiterates the interconnectedness between systems and therefore between strategic issues, stakeholders and organisations.</li> <li>• Integrated communication – integrated communication would become a reality once everyone in the organisation not only agrees on which strategic issues should be addressed first, but also understands stakeholders' attitudes and perceptions as far as these issues are concerned.</li> <li>• Mixed-motive two-way communication (Grunig 2001) – the principle of two-way communication stems from the excellence theory. Engaging with stakeholders in order to understand their attitudes and perceptions about specific issues, implies that all employees in the NPO should practise two-way communication and that the function should not be regarded as the sole responsibility of the communication specialist in the organisation.</li> <li>• The stakeholder management framework (Freeman 1984) – this framework moves the focus away from the shareholder (or donor/funder in the case of NPOs) to the stakeholder. Using Freeman's hub-and-spoke model will enable NPOs to map all their stakeholders so that they are all always visible at a glance.</li> </ul> |

- The linkages model (Grunig & Hunt 1984) – the linkages model assists in grouping stakeholders into four distinctive groups, namely enabling, functional, normative and diffused stakeholders. Although this grouping does not assist in explaining any stakeholder attributes, it is a tool which will assist NPOs in making the broad and endless list compiled in the previous step, more manageable.
- The stakeholder identification and salience theory (Mitchell et al 1997) – this step lies at the heart of identifying *strategic* stakeholders. This theory groups stakeholders together according to their level of *power*, *legitimacy* and degree of *urgency* and should be done for each stakeholder group linked to each identified strategic issue. Power, legitimacy and urgency are all variable attributes and will differ from stakeholder to stakeholder and from issue to issue. What makes it even more complicated is that a stakeholder's level of power to make a difference and the sense of urgency to do so, might change within in a specific situation. Continuous evaluation of stakeholders' attitudes and perceptions is thus inherently part of this step.

### ORGANISATIONAL INPUT DURING STAGE THREE

Reaching a point where stakeholders are identified in a clear and focussed manner and linked to specific issues, is a labour-intensive process which requires substantial organisational input.

- Organisation-wide brainstorm to map stakeholders. All departments should be involved in this process in order not to omit certain stakeholders.
- Grouping of stakeholders identified in the previous step into either enabling, functional, normative and diffused stakeholders. This could be done by a selected, diverse team.
- Defining which stakeholders are strategic by utilising the strategic issues identified and prioritised in stage two.
- Deciding where to focus and what resources to allocate to which stakeholders with reference to specific issues which need to be addressed.

### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE THREE

NPOs could expect certain outcomes once stage three has been implemented successfully:

- Insight into who strategic stakeholders are and what their attitudes and perceptions about a specific issue are.
- Less fragmented stakeholder relationship management efforts and more focussed stakeholder relationship management strategies.
- Better allocation of resources to the management of stakeholder relationship management.
- Readiness to proceed to a communication strategy for each stakeholder linked to each strategic issue.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

The successful implementation of stage three will clearly identify the content of the relational outcomes selected as relevant in the NPO sector.

**Relevant antecedents**

- *Expectations* – by researching the perceptions and attitudes of stakeholders, NPOs will understand what their expectations are with reference to each strategic issue.
- *Mutual consequences* – having identified the strategic issues in the internal and external environment and understanding stakeholder attitudes and perceptions, will illustrate how organisational behaviour has consequences for stakeholders, and vice versa.
- *Stakeholder-NPO association* – how strongly stakeholders associate with an NPO and its cause will reflect in their attitudes and perceptions. Although a strong association does not necessarily imply a positive perception, it remains a good starting point for strengthening a relationship.

**Relevant relational outcomes**

- It is posited that, should stage three be implemented successfully, all the proposed relational outcomes of *trust*, *satisfaction*, *commitment*, *control*, *mutuality*, *involvement* and *investment* will not only be formalised goals, but will be measured and evaluated as achieved or not.

**Successful implementation of stage three ultimately leads to**



**THE ACHIEVEMENT OF PRINCIPLE TWO**

***Identify strategic stakeholders and their attitudes, expectations and perceptions.***

Source: Researcher's own construct.

Stage three lies at the core of identifying which stakeholders are strategic, who should receive the appropriate attention at any point in time, and how resources should be allocated to stakeholder relationship management efforts. It is posited that, if done properly, the implementation of this stage would assist NPOs to adapt a more focussed approach when dealing with stakeholders, resulting in more effective usage of their limited resources.

Although stage three is proposed in a linear fashion, the metamodern worldview of this study allows for flexibility and in fact calls for it. NPO managers should thus accept that they function in a dynamic, ever-changing environment and that stakeholders' attributes are variable and not fixed in time. It remains the responsibility of NPO managers to constantly monitor and research their stakeholders should they wish to stay on top of developments and be in a position to communicate effectively with their stakeholders.

#### 5.9.4 Stage four: Design a focussed communication strategy

Stakeholders will become and remain loyal to an organisation when the organisation's involvement and support are known to those stakeholders (Ledingham & Bruning 1998:63; Wiggill 2009:47), hence it is posited that effective communication between stakeholders and the organisation is the key to achieving this. The main themes pertaining to the role of communication in building relationships, have been discussed previously, but warrants a brief mention. Bourne (2009:203) agrees with Ledingham and Bruning (1998:63) and Wiggill (2009:47) when she states that "communication is the only tool available to build and maintain relationships between stakeholders and the activity". In this context, *activity* can be translated as a *strategic issue* with reference to the strategic issues identified in stage two. She claims that all forms of communication with stakeholders influence perception and that communication strategies should be designed wisely. Well designed and well implemented communication strategies are found in organisations which exhibit a high stakeholder management capability (Crane, Matten & Spence 2008:134). Christensen, Morsing and Cheney (2008:100) concur when they state that "stakeholder management has become a question of managing sophisticated communications to stakeholders", and Knapp and Vangelisti (1992:24) go so far as to state that "our communication behaviour is the very lifeblood of our relationships".

Theorists thus agree that there is a concrete link between strong stakeholder relationships and effective communication with them. This raises the question of how "sophisticated" the communication efforts of South African NPOs are. Considering the general lack of full-time communication specialists in the South African NPO environment, it is posited that there is most likely a lack of formalised communication strategies in these organisations. It is also posited that effective stakeholder relationship management is largely depended on effective communication strategies. Stage four is thus based on the next assumption and proposition.

##### ***Assumption four***

NPOs mostly lack formalised communication strategies and communicate on an ad hoc basis with stakeholders.



***Proposition four***

The successful implementation of communication strategies is key to effective stakeholder relationship management.

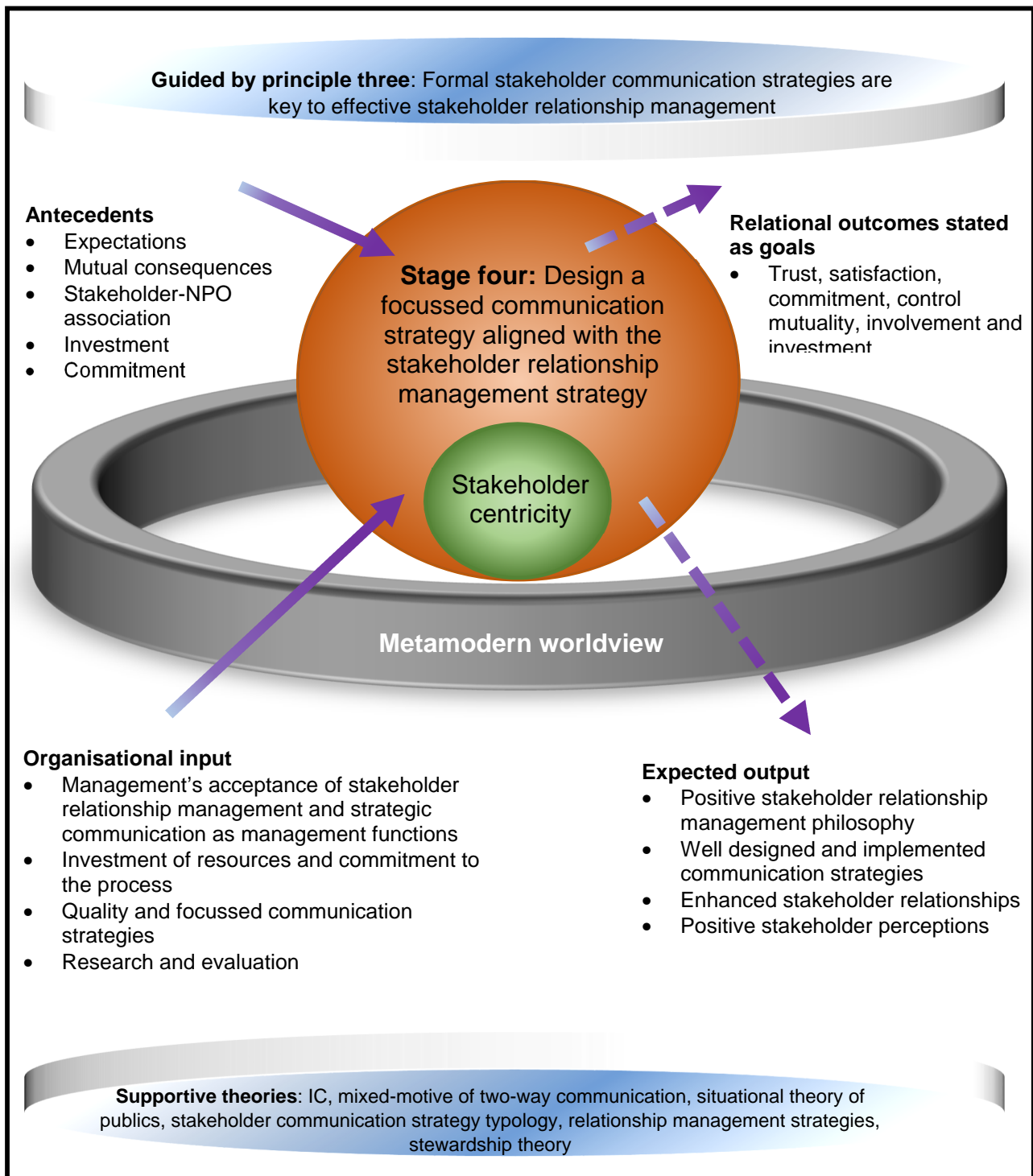
The same argument presented in stage two, namely that a communication strategy designed as a metanarrative in the form of a broad policy is unlikely to be effective, is also relevant to this stage as such an approach does not encourage management to focus on the immediate problem (Holtzhauzen 2000:97). Stage four thus proposes that communication strategies should focus on the immediate and pressing issues as identified and prioritised in stage two, and that these communication strategies should be aligned to the salience and attributes of stakeholders as identified in stage three. This implies a different communication strategy for different stakeholder groups linked to a specific strategic issue.

Stage four is guided by principle three, namely *formal stakeholder communication strategies are key to effective stakeholder relationship management* and comprises of three steps.

Firstly, determine stakeholders' level of problem recognition, involvement and constraint recognition pertaining to the issues identified in stage two in order to understand their communication behaviour. This is done by means of Grunig's (1992) situational theory of publics. Secondly, use Gregory's (2007) stakeholder communication strategy typology to decide which communication approach to follow with each stakeholder based on their legitimacy, power and interest in relevant issues as identified in stages two and three. Thirdly, borrowing from Waters' (2011) approach, design a communication strategy with *access, positivity, openness, assurances, networking, sharing of tasks, reciprocity, responsibility, reporting and relationship nurturing* as guiding principles by combining elements of the stewardship theory and relationship management strategies (Hon & Grunig 1999). This implies that each activity within the communication strategy must adhere to all or at least most of the guiding communication principles stated.

Stage four, namely *design a focussed communication strategy aligned with the stakeholder relationship management strategy*, is graphically illustrated in Figure 5.6 whereafter each component is discussed in Table 5.17.

GRAPHIC ILLUSTRATION OF STAGE FOUR FOR A METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK FOR NPOs



**Figure 5.6: Stage four: Design a focussed communication strategy**

Source: Researcher's own construct.

The components of stage four have all been discussed in Chapter 4 and will not be repeated in detail here. It is, however, necessary to explain the relationship between these components and their relevance to this stage in order to understand Figure 5.6. This is done in Table 5.17.

**Table 5.17: Contextualising stage four**

| STAGE FOUR  |
|---|
| <b><i>Design a focussed communication strategy aligned with the stakeholder relationship management strategy</i></b>  |
| GUIDED BY PRINCIPLE THREE   |
| <p>Stage four is embedded in principle three which states the following:</p> <p><b><i>Formal stakeholder communication strategies are key to effective stakeholder relationship management.</i></b></p> <p>Stage four suggests that broad, organisation-wide communication strategies are not sufficient to build and strengthen relationships with stakeholders, but that communication strategies should rather be focussed on specific stakeholder groups and specific strategic issues.</p>   |
| SUPPORTIVE THEORIES AND MODELS  |
| <p>Stage four is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage four of the proposed framework is illustrated next.</p> <ul style="list-style-type: none"> <li>• Integrated communication – a metamodern approach would accept that communication can never be integrated in a mechanistic manner, but having an organisational culture in favour of stakeholder relationship management and an organisation-wide understanding of what the strategic issues and stakeholders' perceptions are, would lead to less fragmented and more integrated communication.</li> <li>• Mixed-motive two-way communication (Grunig 2001) – this model lies at the heart of stage four, since it argues that a symmetrical view of communication will lead to a win-win situation for both the organisation and the stakeholder.</li> <li>• The situational theory of publics (Grunig 1992) – this theory explains the communication behaviour of stakeholders and why some are more involved in certain issues than others by using the variables of problem recognition, level of involvement and constraint recognition. It holds that a stakeholder with a high level of problem recognition and involvement, combined with a low level of constraint recognition will be an active stakeholder and will seek more information. Once this is known, it will assist NPOs in determining a suitable communication approach.</li> </ul> |

- Stakeholder communication typology (Gregory 2007) – an NPO is ready to decide on a communication approach with a stakeholder only once it is clear what the stakeholder's level of interest and power in a specific issues is (discovered in stage three), and what his/her problem recognition, level of involvement and constraint recognition regarding this issue are. The higher the levels of problem recognition, involvement, power and interest, the more intimate the communication approach should be and vice versa. Once an NPO has decided whether the communication approach should be to *inform*, *consult*, *involve* or *partner*, it will have clarity as to how to allocate resources to the process. The nature of these approaches and the action plans to implement them would need careful investigation by the NPO.
- Combination of Hon and Grunig's (1999) relationship management strategies with elements of the stewardship theory (Waters 2011) – it is posited that regardless of the chosen communication approach – inform, consult, involve or partner – the communication strategy should be guided by the principles suggested by Waters (2011), namely *access*, *positivity*, *openness*, *assurances*, *networking*, *sharing of tasks*, *reciprocity*, *responsibility*, *reporting* and *relationship nurturing*. It is argued that NPOs will have a better chance of succeeding in establishing strong stakeholder relationships by applying these principles (which are explained in Table 5.13) constantly.

#### ORGANISATIONAL INPUT DURING STAGE FOUR

Certain organisational inputs are necessary in order to design and implement a focussed communication strategy.

- Management consensus and acceptance that strategic communication is a management function which should not be seen as the sole responsibility of the communication specialist.
- Management consensus and acceptance that strategic communication is key to successful stakeholder relationships.
- Investment of resources in the form of time, funds and human resources in the design and implementation of communication strategies.
- Management's commitment to the process.
- Production of quality, relevant and timeous communication strategies.
- Implementation of such communication strategies.
- Constant evaluation and measurement of the effectiveness of communication strategies and adaptation when necessary.

#### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE FOUR

The successful implementation of stage four will lead to certain organisational outputs.

- A management philosophy that is positive towards stakeholder relationship management and strategic communication, accepting that these disciplines are management functions.
- Well designed and implemented communication strategies which are continually evaluated and monitored.
- Enhanced relationships with stakeholders in which stakeholder interests are considered, leading to positive perceptions.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

All antecedents and relational outcomes will be addressed and achieved through the implementation of focussed communication strategies.

#### Relevant antecedents

- *Expectations* – stakeholder expectations will be known by this stage and will be considered when communicating with them.
- *Mutual consequences* – mutual consequences of both parties' behaviour will be understood by now and can be addressed and explained through communication strategies.
- *Stakeholder-NPO association* – stakeholder association with an NPO will increase through effective communication with the stakeholder, resulting in positive perceptions of the NPO.
- *Investment* – although regarded as a relational outcome, investment is also an antecedent in the context of stage four. Management will have to invest resources into this stage in order for it to become a reality.
- *Commitment* – commitment, similarly to investment, could also be regarded as an antecedent in stage four since this process demands substantial commitment from all parties involved.

#### Relevant relational outcomes

- It is posited that by adhering to the communication guiding principles of *access, positivity, openness, assurances, networking, sharing of tasks, reciprocity, responsibility, reporting and relationship nurturing* the relational outcomes goals of *trust, satisfaction, commitment, control mutuality, involvement and investment* will be achieved.

Successful implementation of stage four ultimately leads to

### THE ACHIEVEMENT OF PRINCIPLE THREE

***Formal stakeholder communication strategies are key to effective stakeholder relationship management.***

Source: Researcher's own construct.

Stage four illustrated that strategic communication is key to successful stakeholder relationship management and that both these disciplines are management functions which cannot be delegated to one department or a selected few individuals.

Bourne (2009:204) claims that it is not sufficient to map stakeholders, analyse them and implement a communication strategy once or twice. People and situations change and stakeholders' perceptions and attitudes may change, which may necessitate a different communication approach. Simultaneously the antecedent of expectation is

changed through communication behaviour which in turn, may change communication behaviour (Knapp & Vangelisti 1992:57). Stage four, similar to the preceding stages, is thus not a static stage and needs to be revisited regularly.

### **5.9.5 Concluding remarks on the stages**

The purpose of this study as stated at the outset, is to ultimately develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner. It is envisaged that the final model will provide NPO managers with a road map of how to build and sustain relationships with strategic stakeholders. The four stages in this chapter proposed as a conceptual basis for a metamodern stakeholder relationship management framework for NPOs, have therefore been presented in a linear and explanatory fashion and should be read in conjunction with the previous chapters for complete comprehension. All four stages are guided by principles deemed imperative for successful stakeholder relationship management in the NPO sector, and all four stages are imbedded in the metamodern worldview of this study, allowing for flexibility and initiative by the NPO.

The four stages are supported by the communication and stakeholder theories and models discussed in the foregoing chapters, and are also aligned with the content of the literature review on the South African NPO sector in this chapter. Each stage will culminate in an action plan which would include the allocation of resources such as time, funds and human resources, and each stage is subject to continuous research and evaluation to ensure effectiveness.

Illustrating a substantial volume of theoretical information graphically remains a challenge and the figures in this chapter are therefore heavily supported by descriptive text. It is important to bear in mind that, although presented in a linear fashion, stages one to four are not static, but rather dynamic and organic in nature and need to be revisited constantly. As much as implementing these four stages could lead to growth and success for the organisation, NPO managers may, from time to time, have to start at the beginning. Figure 5.7 presents a final dash-board and collapsed view of the four stages, their embeddedness and the continuous nature of this cyclical process.

A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT FRAMEWORK FOR NPOs – A COLLAPSED VIEW OF STAGES ONE TO FOUR (DETAIL IN FIGURES 5.3 TO 5.6)

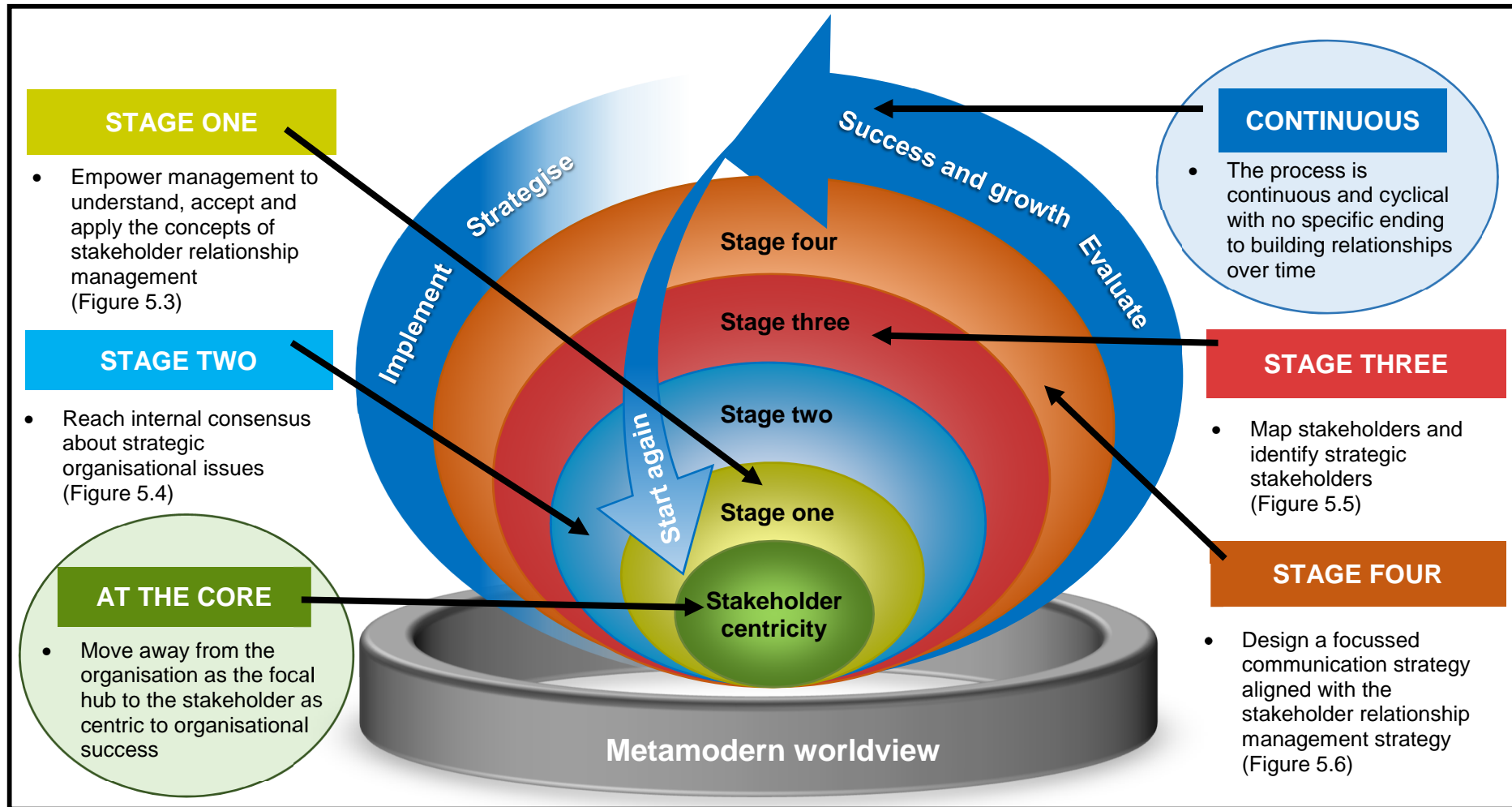


Figure 5.7: Collapsed view of the cyclical nature of stages one, two, three and four

Source: Researcher's own construct.



## 5.10 CONCLUSION

This chapter concluded with a conceptual metamodern stakeholder relationship management framework for non-profit organisations. In order to do, so a thorough review of the key definitions relevant to this sector as well as the current state of the South African NPO sector was presented. It was illustrated that although a number of governance codes exist for the South African NPO sector, very limited reference to stakeholder relationship management is made in these. The main themes regarding the current crisis faced by the NPO sector, revolves around the weakening world-economy, lack of support from the government and insufficient management training to deal with strategic issues. It was argued that all these issues, but particularly the lack of management training, impact on NPOs' ability to design and implement effective stakeholder relationship management strategies. Stakeholder relationship management practices in the NPO sector were discussed, and this section was concluded with the role and relevance of relationship antecedents and relational outcomes in NPO stakeholder relationship management practices.

Based on the communication and stakeholder theories and models selected in the foregoing chapters relevant to this study, a conceptual stakeholder relationship management framework for NPOs has been proposed. The framework is guided by three principles namely: *establish a clear understanding and uniform organisational worldview of stakeholder relationship management; identify strategic stakeholders and their attitudes, expectations and perceptions; design and implement formal stakeholder communication strategies.*

The proposed framework consists of four stages. Stage one focusses on the empowerment of management to understand, accept and apply the concepts of stakeholder relationship management. The inclusion of this stage speaks to the unique contribution of this study, since stakeholder relationship management frameworks and models found in the literature, do not suggest this as a first stage. It is posited that the concepts found in stakeholder theories are not common knowledge and relying on intuition only, would not lead to effective stakeholder relationship management strategies. This stage argues that management would not be able to practise strategic

stakeholder relationship management without the necessary training in this discipline. Stage two encourages NPOs to relook the strategic issues they face and to prioritise them based on the urgency to address these issues. It is here argued that broad, metanarrative stakeholder relationship management strategies are insufficient and too vague, and that relationships should be built at micro-level. Stage three requires the mapping of all stakeholders, whereafter they should be defined as strategic or not by considering their attributes such as legitimacy, power and urgency pertaining to the issues identified in stage two. By doing this, NPOs will understand which stakeholders are strategic at any point in time, and how to allocate their limited resources to their stakeholder relationship management efforts. Stage four is guided by the view that communication is the only tool available to build relationships and suggests that NPOs should have formal and focussed communication strategies in support of their stakeholder relationship management strategies. It is argued that different stakeholders would need different communication approaches at different times and that communication strategies should be revisited frequently, as should stakeholder relationship management strategies.

In each stage of the conceptual framework the role of antecedents and relational outcomes was described, and it was illustrated that certain relational outcomes such as investment and commitment could also be regarded as antecedents in certain stages. It was proposed that relational outcomes should be stated as formal goals at the beginning of the design of a stakeholder relationship management strategy. NPOs should continuously evaluate their stakeholder relationship management strategies and develop criteria that would measure the quality of the stakeholder relationships. The proposed relational outcomes of *trust*, *satisfaction*, *commitment*, *control mutuality*, *involvement* and *investment* could act as such criteria.

The conceptual framework relies heavily on the cooperation of management and, in line with the stewardship theory, expects management to regard building and sustaining strong relationships with strategic stakeholders as one of their main responsibilities.

The entire conceptual framework is embedded in the metamodern worldview of this study. Thus, although the framework is presented in a linear and structured fashion, it

is imperative that it remains flexible and that management is allowed a certain level of initiative and creativity in implementing it. It is argued that NPO management should take responsibility for the stakeholder relationship management function in the organisation even if a full-time communication specialist is employed. The role of the communication specialist is therefore not to practise stakeholder relationship management on behalf of the organisation, but to enable the entire organisation to do it well. In line with a metamodern worldview, this implies a decentralised approach in which modernistic and central control is balanced with a postmodern view of flexibility and the acceptance that the environment is often chaotic and turbulent. The conceptual metamodern framework is thus designed in such a manner that the principles guiding it are regarded as modernistic metanarratives, but the four stages within the framework are in typical postmodern fashion, flexible, imbedded in, interrelated and dependent on each other. As situations change, stakeholder perceptions and attitudes will change and the proposed framework concludes with the reality that the project of stakeholder relationship management is never complete. It must be revisited frequently and may, from time-to-time, need to be restarted from the beginning.

Although the metamodern framework presented in the chapter is based on information obtained from current research and a thorough literature review, it remains a conceptual framework and needs to be tested empirically in order to evolve it to a scientific model. The next phase of this study is therefore to test the conceptual framework by means of qualitative face-to-face semi-structured interviews with CEOs and senior management in South African NPOs. The insights and findings obtained during this phase will be used to make the necessary changes and enhancements to the conceptual framework in order to present a final metamodern model. The next chapter is dedicated to explaining the applied research design and methodology.

## CHAPTER

## 6

## RESEARCH DESIGN AND METHODOLOGY

*Research is formalized curiosity. It is poking and prying with a purpose. (Nora Zeale Hurston 1891-1960)*

(in Lewis 2009)

## 6.1 INTRODUCTION

The ultimate objective of this study is to propose a practical and usable model for stakeholder relationship management for the South African NPO sector. Phase one of the study involved the exploration of the existing theory on stakeholder relationship management and the current stakeholder relationship management practices in the South African NPO sector, determining how these discoveries could be utilised to enhance and refine the proposed framework into a practical model. The previous chapter proposed a conceptual framework for the management of stakeholder relationships for South African NPOs from a metamodern perspective. The framework needs to be tested in practice in order to develop into an acceptable and usable model for the NPO sector. Hence this chapter outlines phase two of the study, namely the research design and methodology followed to achieve this.

Chapter 6 is the first chapter in the second phase of this study (as indicated in Figure 1.1 in Chapter 1) and the structure of this chapter is illustrated in Table 6.1.

**Table 6.1: The structure of Chapter 6**

| TOPIC            | DISCUSSION   |
|------------------|--|
| Research problem | <ul style="list-style-type: none"> <li>Stating the research problem and contextualising the link between the propositions and research questions.</li> </ul> |
| Research design  | <ul style="list-style-type: none"> <li>Contextualising the choice of a qualitative, exploratory and interpretive research design.</li> </ul>                 |

| TOPIC                  | DISCUSSION   |
|------------------------|--|
| Research methodology   | <ul style="list-style-type: none"> <li>Clarifying the sampling strategy and methodology followed to identify an appropriate sample and to obtain, analyse and interpret the data.</li> </ul> |
| Ethical considerations | <ul style="list-style-type: none"> <li>Illustrating how ethical considerations were taken into account and applied during the research process.</li> </ul>                                   |

## 6.2 RESEARCH PROBLEM

Guided by the theoretical background and discoveries, the following research problem was formulated:

A metamodern stakeholder relationship management model for the South African non-profit sector has not been done before.

Resulting from the extensive literature review, a number of propositions were formulated in the previous chapter. In the interest of context, the propositions arrived at in the previous chapter, are repeated here.

**Proposition 1:** Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.

**Proposition 2:** Effective stakeholder relationship management strategies are aligned with organisational business strategies, and also focus on strategic stakeholders based on current and strategic organisational issues.

**Proposition 3:** All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.

**Proposition 4:** The successful implementation of communication strategies is key to effective stakeholder relationship management.

The stated propositions directed the relevant research questions in addressing the research problem, namely:

**Research question 1:** How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?

**Research question 2:** Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?

**Research question 3:** How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?

**Research question 4:** Are the communication strategies of the South African NPO sector linked to their stakeholder relationship management strategies?

**Research question 5:** Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?

Mouton (2001:56) distinguishes clearly between *research design* and *research methodology*, as mentioned in Chapter 1. He explains that a discussion on *research design* includes illustrating what kind of research is planned, what the research problem or questions are, and what kind of evidence is required to address the research questions adequately, whereas *research methodology* refers to the research process, tools, procedures and the individual, and most unbiased steps employed in the research process. Adhering to Mouton's definitions, the research design and research methodology adopted for this study will be discussed in the next sections.

### 6.3 RESEARCH DESIGN

Neuman (2011:26,27) defines a *basic* research design as an attempt to understand fundamental knowledge and to build or test theoretical explanations, whereas *applied* research is concerned with addressing a specific concern and offering a solution.

This study not only intended to understand a problem through basic, academic research (Neuman 2011:27), but also endeavoured to apply the research findings to the field by providing a solution to a practical problem (Du Plooy 2002:27;48). The study can thus be regarded as a combination of both basic and applied research, since the focus was on the utilisation of fundamental theoretical knowledge (basic research) to resolve a practical problem (applied research) (Neuman 2011:171), namely that of

the lack of an existing stakeholder relationship management model for the South African NPO sector.

This study is also characterised by a naturalistic inquiry paradigm as opposed to a rationalistic paradigm. There are significant differences between these two paradigms. Firstly, the naturalistic paradigm assumes that there are multiple realities and that all the parts of reality are interconnected, unlike the rationalistic paradigm which asserts that inquiry can converge upon a single truth. Secondly, in contrast with the rationalistic paradigm which believes that the researcher can maintain a discrete and independent distance from that which is researched, the naturalistic paradigm accepts that the relationship between the researcher and the respondent or participant (not object) is interrelated, influencing each other. Thirdly, the rationalistic paradigm believes in context-free truth statements and generalisations, whereas the naturalistic paradigm is comfortable with the fact that generalisations are not possible and that at best one could hope for “working hypotheses”. The qualitative nature of this study, the emergence of a final stakeholder relationship management model from data obtained from research participants, the personal involvement of the researcher and the conducting of the research in the natural setting of the participants, further point to the naturalistic paradigm of this study (Guba 1981:75-78).

Holtzhausen (2000:111) posits that research paradigms and methodologies that differ from those modernistic approaches typically used in communication science disciplines, will contribute to different perspectives to the current body of knowledge. Ströh (2009:216) agrees when she states that communication specialists should explore worldviews different to modernism, though they may be operating in modernistic business environments. Accepting that the knowledge gained through this research project is provisional and dependent on context (Woods 1999:14) and concurring with Holtzhausen (2002:38) that a postmodern approach to research will contribute to a more critical evaluation of communication science and the disciplines within it, the chosen research design for this study is nevertheless somewhat modernistic in nature in the sense that it follows a step-by-step approach, describing theory and research so that the legitimacy of its epistemological licence is uncontested (Agger 1990:211). However, consistent with the metamodern worldview of this study, postmodern qualities such as accepting that the world and realities are created by

people and being sceptical about a positivists approach and the totalising of theories, were also applied (Kroeze 2012:49).

Thus, in order to answer the research questions stated in this chapter, data on the stakeholder relationship management phenomena in the South African NPO sector was captured in a qualitative, exploratory fashion and an interpretive approach was used to contextualise the findings.

### **6.3.1 Exploratory research**

Davies (2006:110) argues that exploratory research is often seen as a simplistic initial stage in research and regularly regarded as synonymous with a feasibility or pilot study. According to her, this is a misrepresentation and misunderstanding of exploratory research in social science. She posits that all research is inherently explorative and defines exploratory research as “exploration-for-discovery” and being concerned with the development of a theory (or a model in the case of this study) from data.

Babbie (2016:90) states that exploratory research is appropriate when “... a researcher examines a new interest or when the subject of study itself is relatively new”. He adds that exploratory research is not only applicable to new phenomena, but also to the exploration of persistent and existing phenomena, or to determine whether or not a phenomenon exists at all. Exploratory research is thus used when the topic or subject is relatively new and has not been explored yet (Neuman 2011:38). It studies the scope and breadth of concepts to gain insight into a situation, community, person or phenomena (Bless & Higson-Smith 1995:42; Bless, Sithole & Higson-Smith 2013:57).

Babbie (2016:90) further explains that exploratory research is done in an attempt to gain a better understanding, to satisfy the researcher’s curiosity, to test the feasibility of doing more research, or to develop methods that could be employed in subsequent studies. Although all these reasons could apply to this study, the first reason is particularly relevant, since the aim is to develop new understandings of the stakeholder relationship management practices in the South African NPO sector.



Exploratory research is mostly done through qualitative research and has as such been criticised as being subjective. The relatively small number of samples often used by these types of studies has also been criticised as not adequately representing the target population (Dudovskiy 2016), and some theorists argue that the findings cannot be generalised and should be interpreted with caution (Singh 2007:65). Theorists further argue that exploratory qualitative research is non-scientific, that qualitative findings cannot be generalised to other settings or people, that quantitative predictions are problematic, that it is complicated to test hypotheses and theories, that collecting data and analysing it are more time-consuming than in the case of quantitative research, that it is difficult to replicate and often not transparent enough, that it makes use of relatively small samples which do not represent the target population sufficiently, and that it is impressionistic (Allan 1991:180; Barker 1999:243; Daymon & Holloway 2002:7; Johnson & Onwuegbuzie 2004:20; Berg 2007:14; Bryman 2008a:391; Cooper & White 2012:16; Dudovskiy 2016). However, the most prevalent criticism against qualitative research is the perceived bias of the researcher and the lack of objectivity (Daymon & Holloway 2002:7; Ratner 2002; Bryman 2008a:391; Cousin 2010:9; Dudovskiy 2016). Ratner (2002) states that “subjectivism is often regarded as the sine qua non of qualitative methodology”. He believes that this is not necessarily true and that objectivism and subjectivism should not be regarded as extreme opposites as many theorists do. According to him, objectivism integrates objectivity and subjectivity in the sense that objective knowledge requires active subjective processes such as perception, synthetic and analytical reasoning and logical deduction. Objective comprehension of the world is thus enhanced by subjective processes. Daymon and Holloway (2011:9) agree and posit that the researcher’s subjectivity can enhance, rather than distort the credibility of the study. They posit that a qualitative researcher is by default emotionally involved in the research process which enables a closeness to real life, thereby generating more relevant knowledge.

The flexible and adaptable nature of exploratory qualitative research, combined with the fact that the phenomena of stakeholder relationship management exists in the NPO sector, but that it is new and under-explored, directed the choice of an exploratory approach for this study.

### 6.3.2 Interpretative research

In typical metamodern fashion it is argued that reality should be studied objectively (modernism), but that it should be interpreted through the meaning that research participants give to their real worlds (postmodernistic) (De Vos et al 2011:310). Positing that purely postmodern research approaches such as constructivism or impressionism would be too sophisticated for the South African NPO sector, an approach considered by De Vos et al (2011:311) as modernistic, namely interpretivism, was chosen as a means of reaching an empathetic understanding of the research participants' experiences of the stakeholder relationship management concept and practices in their respective environments (De Vos et al 2011:8). It is argued, however, that the interpretive approach is not purely modernistic, but that it strongly resonates with postmodernism. Daymon and Holloway (2002:4) argue that interpretive researchers draw on postmodern constructivism and "challenge the notion that social reality is a given, something 'out there' that shapes people's actions", an approach characterising postmodern thinking. Kroeze (2012:43) also posits that interpretivism is a typical postmodern research approach and argues that many characteristics of interpretive research overlap with those of postmodernism. He argues that interpretivism provides deep insight into the contexts of organisations, resonating with the postmodernistic belief that reality is constructed socially. Interpretivists accept that people create their own worlds as much as postmodernists believe that the world is open and created by people. Postmodernists' comfort with alternative understandings resonates with interpretivist researchers' recognition that meaning and understanding are created by researchers as well as participants and that both are subjectively involved in the phenomena being studied. This oscillation between modernism and postmodernism echoes the metamodern worldview of this study and an interpretive research approach was thus deemed appropriate for this study.

Interpretive research aims to reach a deep and empathetic understanding of how people experience their everyday realities and accepts that people are continuously making sense of their worlds by interpreting, giving meaning, justifying and rationalising everyday actions (De Vos et al 2011:8; Neuman 2011:107). Klein and

Myers (1999) developed a set of principles or fundamental ideas pertaining to the conducting and reporting of interpretive research which is summarised in Table 6.2.

**Table 6.2: Principles of interpretive research**

| PRINCIPLE   | DISCUSSION   | APPLICATION   |
|---|--|---|
| Principle of the hermeneutic circle                                   | <ul style="list-style-type: none"> <li>Humans achieve understanding by repeatedly moving between considering the meaning of parts and the whole they form.</li> </ul>  | <ul style="list-style-type: none"> <li>Research participants will form their own ideas from the researcher and vice versa, and a complex whole will emerge as a result of a number of iterations of the hermeneutic circle.</li> </ul>  |
| Principle of contextualisation  | <ul style="list-style-type: none"> <li>In order for the participants to see how the current issue under investigation, emerged, critical reflection of the social and historical background of the research setting is required.</li> </ul>        | <ul style="list-style-type: none"> <li>Organisations are not static, and observable organisational patterns are constantly changing. The research is influenced by the total history of the organisation, or in the case of this study, of the South African NPO sector.</li> </ul>                               |
| Principle of interaction between the researchers and the participants | <ul style="list-style-type: none"> <li>Research data is socially constructed through the interaction between researchers and participants and require critical reflection.</li> </ul>  | <ul style="list-style-type: none"> <li>Facts (or data) are produced as a result of the interaction between the researcher and the participants. Researchers must thus accept that participants are also interpreters of the facts.</li> </ul>   |
| Principle of abstraction and generalization                           | <ul style="list-style-type: none"> <li>It is possible to relate unique instances (as suggested in the previous principles) to ideas and concepts that apply to multiple situations without testing theory in a simple or direct manner.</li> </ul> | <ul style="list-style-type: none"> <li>In order for the reader to understand how the researcher arrived at theoretical understandings, it is imperative that theoretical abstractions and generalisations are carefully related to the field study details as they were experienced by the researcher.</li> </ul> |
| Principle of dialogical reasoning                                     | <ul style="list-style-type: none"> <li>Researchers should accept that there may be a possible contradiction between the theoretical preconceptions guiding</li> </ul>  | <ul style="list-style-type: none"> <li>Cycles of revision are necessary and the preconceptions should be modified or abandoned if not supported by the data.</li> </ul>   |

| PRINCIPLE                             | DISCUSSION   | APPLICATION  |
|---------------------------------------|--|--|
|                                       | the research and the actual findings.  |  |
| Principle of multiple interpretations | <ul style="list-style-type: none"> <li>Participants could interpret the same sequence of events differently and researchers should be sensitive to this possibility.</li> </ul>      | <ul style="list-style-type: none"> <li>The researcher should revise her understanding by confronting the contradictions potentially inherent in the multiple viewpoints by probing beneath the surface.</li> </ul>   |
| Principle of suspicion                | <ul style="list-style-type: none"> <li>Researchers should accept that possible biases and systematic distortions may exist in the narratives collected from participants.</li> </ul> | <ul style="list-style-type: none"> <li>This requires the researcher to read the social world behind the words of the actors, thus considering influences such as power structures, vested interests and limited resources, all of which are applicable to South African NPOs.</li> </ul> |

Source: Researcher's own construct conceptualised from Klein and Myers (1999:72).

Although Klein and Myers (1999:71-72) state that the use of all these principles is not mandatory and that it is still incumbent upon researchers to judge discreetly how and when these principles may be relevant to any research project, they nevertheless argue that the principles are interdependent. Concurring with them that the "whole story resulting from the application of the individual principles is greater than the sum of the parts" (Klein & Myers 1999:79), all these principles were taken into consideration in interpreting the findings of this research study.

It is acknowledged that interpretive research is not necessarily synonymous with qualitative research and that qualitative research can be done from either a positivist, interpretive or critical stance (Klein & Myers 1999:69). However, concurring with Bryman (1984:77) that qualitative research is essentially "a commitment to seeing the world from the point of view of the actor", data for this study was obtained by means of an interpretative qualitative research design.

Neuman's (2011:102) definition of the interpretive approach succinctly summarises the motivation for adopting an interpretive approach for this study. He states that:

The interpretative approach is the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds.

The paradigm war between postmodernism and modernism is also evident in the debate about the merits of qualitative versus quantitative research methods, but Bryman (2008b:14) believes that the differences between these two methods are largely inflated. Babbie (2016:28) agrees and posits that these two methods complement each other and should not be regarded as incompatible. In the case of this study, however, the research topic was more amenable to a qualitative than a quantitative research paradigm. The reasons are discussed in the following section.

### 6.3.3 Qualitative research

As early as the late 1980s, Bryman, Bresnen, Beardsworth and Keil (1988:14) argued that theorists have become increasingly uncomfortable with leadership research and attribute this to the use of predominantly quantitative research designs in this area, relying heavily on questionnaires to measure leadership behaviour. They point to evidence that people's beliefs about how different types of leaders behave, led to the correlations between leadership style and the variety of outcomes, and claim that quantitative questionnaire research may be too static considering that leaders vary their leadership styles to a considerable degree. According to them, questionnaire research designs on leadership behaviour have produced conflicting findings and dubious conclusions about the direction of causality. Bryman et al (1988:14) posit that the dissatisfaction with leadership research has resulted in researchers attempting more qualitative research designs, employing techniques such as interpretive approaches and semi-structured interviews, amongst others.

Bryman et al (1988:26) refer to leaders and not managers in their study, but concur that their study and in fact, most studies on so-called leadership, focus on individuals in leadership positions, in other words, those with the designation of *manager* in the organisation. They allude to the fact that the participants in their study were specifically asked about leadership (and not headship or management) and that their discussion is derived from the participants' perceptions of what leadership entails, thereby making results applicable to leadership in general, and not only to management. The previous

chapter in this study, referred to *managers* and *management* in the NPO sector and not *leaders* or *leadership*, since it was posited that *managers* in NPOs should take responsibility for the stakeholder relationship management practices in their organisations and then filter it down to non-managers (some of whom may be natural leaders) in the organisation. The terms *manager* and *management*, rather than *leader* or *leadership*, were therefore used in this study since Bryman et al's argument is regarded as relevant to leaders as well as managers.

Quantitative as well as qualitative research or a mixture of both research designs is useful in social research (Johnson & Onwuegbuzie 2004:14; Daymon & Holloway 2011:12; Babbie 2016:27), but Bryman et al (1988) argue that a qualitative research design would serve research on leadership and management behaviour, and therefore arguably stakeholder relationship management practices, best. The research design of this study is thus qualitative, reinforcing the postmodern view of a reflective and interpretivist approach (Bryman 2008b:13), but is guided by the modernistic theoretical approaches as discussed previously.

### **6.3.3.1 Contextualising qualitative research as the appropriate research design**

Defining qualitative research is challenging, and Lindlof and Taylor (2011:318) state that it has become apparent to them that “qualitative communication research is no longer – if it ever was - a single easily summarised phenomenon”. Creswell (2007:249) defines qualitative research as “an inquiry process of understanding based on a distinct methodological tradition of inquiry that explores a social or human problem”. According to him, a qualitative researcher conducts the study in a natural setting and builds a complex and holistic picture by analysing words and reporting views of participants in detail.

Babbie (2016:26) defines the difference between quantitative and qualitative research as the “distinction between numerical and nonnumerical data”, and Barker (1999:8) states that the primary goal of qualitative research is not to quantify data, but rather to understand the social phenomena under investigation. Fitch (1994:32) regards qualitative research as examining qualities such as attributes, characteristics and

properties of communication phenomena, such as stakeholder relationship management, amongst others.

Qualitative research from an interpretive perspective aims to interpret actions, events and perspectives through the eyes of those under investigation (Mouton 1996:168; Savin-Baden & Major 2010:1) and could, in doing so, bring important topics and issues to the surface that may have been ignored by the researcher if he or she is to decide what is relevant. The qualitative researcher will, in a postmodern fashion, accept and emphasise the variety of situations and settings, rather than ignore or overrule them (Bryman et al 1988:16), leading to a sensitivity to the diversity of contexts in which management has to function. Qualitative research thus attempts to understand the participants studied by considering their perceptions of their own environments (Mouton 1996:168; Leedy 1997:144; Burke & Christensen 2002; Saldana, Leavy & Beretvas 2011:29) and endeavours to understand how complete social units such as a group, community or organisation operate on their own terms (Barker 1999:8). Qualitative researchers accept that not only context, but also relationships, play a role in forming thought and behaviour (Roller & Lavrakas 2015:1), and that it is their responsibility to make the connection.

Numerous theorists have produced text on qualitative research, discussing the advantages and characteristics of this research paradigm in order to justify it as an appropriate paradigm for human science research. Table 6.2 summarises the attributes of qualitative research that are most relevant to this study.

**Table 6.3: Relevant attributes of qualitative research**

| ATTRIBUTE                 | DISCUSSION   | RELEVANCE  |
|---------------------------|--|--|
| Absence of absolute truth | <ul style="list-style-type: none"> <li>Qualitative data is not unconditional truth, but rather information that is useful on some level, thus information and knowledge are gained, and not absolute truths. Reality is therefore subjective.</li> </ul> | <ul style="list-style-type: none"> <li>This attribute resonates with the metamodern worldview of this study, accepting that there is no absolute truth (postmodernism), but that rigorous verification and analysis of the final research document are vital (modernistic).</li> </ul> |

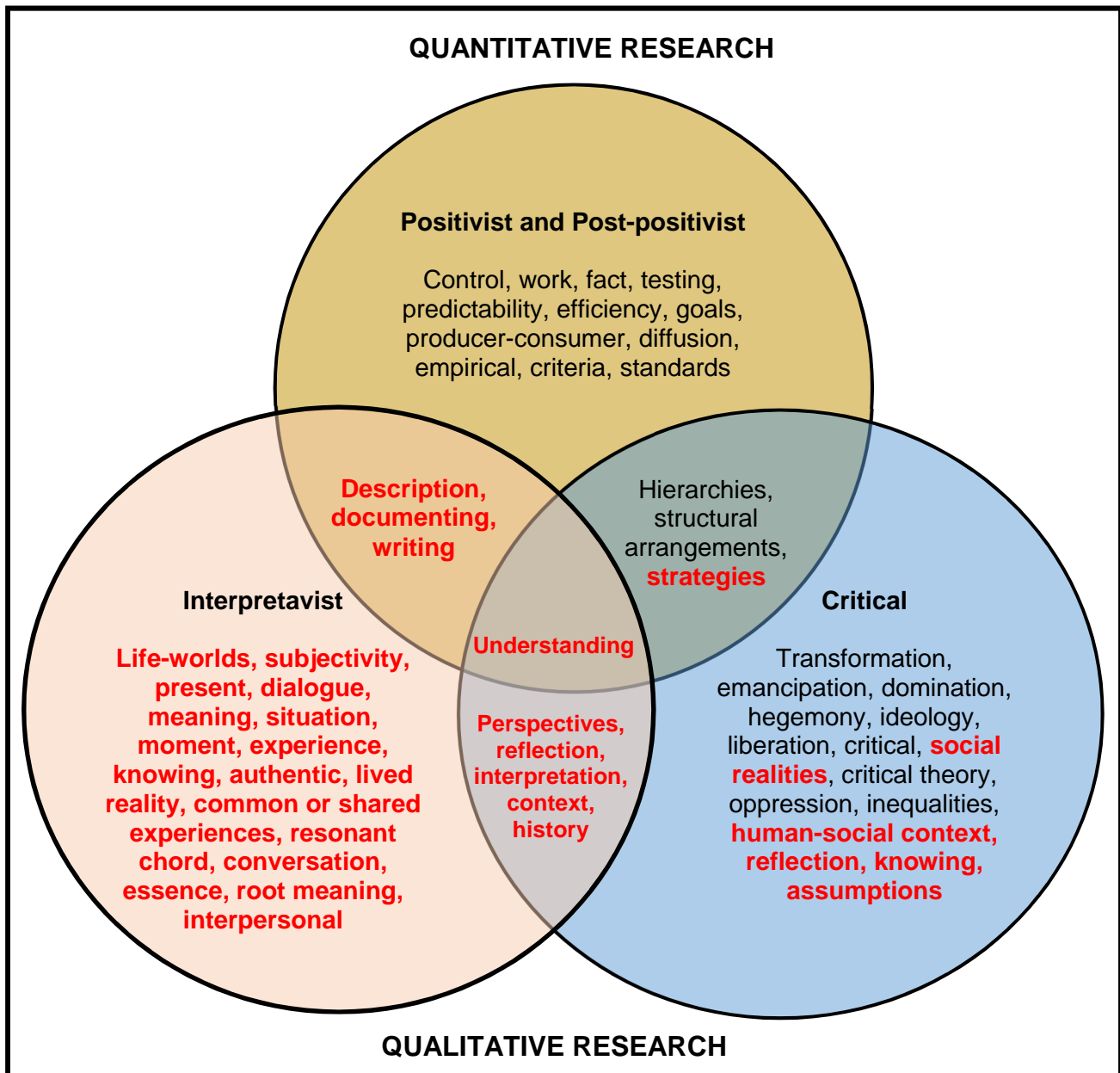
| ATTRIBUTE   | DISCUSSION   | RELEVANCE   |
|---|--|---|
| Embracing complexity and diversity                      | <ul style="list-style-type: none"> <li>Qualitative researchers often operate at the edge of chaos in complex and diverse settings.</li> </ul>  | <ul style="list-style-type: none"> <li>In metamodern fashion it is accepted that the research project has some structure, but that the researcher is not in total control.</li> </ul>   |
| Importance of context                                   | <ul style="list-style-type: none"> <li>Qualitative research is situated in context. Context involves more than just physical location, it includes the environment in which the individual functions, thus remaining true to the participant's natural settings. Data is collected in natural settings.</li> </ul> | <ul style="list-style-type: none"> <li>Stakeholder relationships are inseparable from the historical and social contexts in which they occur.</li> <li>The South African NPO history and current environment as discussed in the previous chapter, were of particular relevance to the study of this sector's stakeholder relationship management practices.</li> </ul> |
| Insights are derived from the participant's perspective | <ul style="list-style-type: none"> <li>Interpretive, qualitative researchers endeavour to obtain data from the perspective of those who are being studied.</li> </ul>  | <ul style="list-style-type: none"> <li>The perceptions and opinions of NPO research participants were examined to determine how new knowledge and discoveries could enhance stakeholder relationship management practices in this sector.</li> </ul>  |
| Researcher is at the centre of data-gathering           | <ul style="list-style-type: none"> <li>A questionnaire outline may guide the researcher, but ultimately the researcher is the main data collection tool. The researcher actively makes sense and generates meaning through cooperation with research participants.</li> </ul>                                      | <ul style="list-style-type: none"> <li>This closeness of the researcher to the participant provides an opportunity for in-depth understanding, but measures should be put in place to limit potential researcher bias.</li> </ul>   |
| Flexibility of the research design                      | <ul style="list-style-type: none"> <li>Flexibility is built into the qualitative research design to modify or adapt it during fieldwork should the chosen design prove inadequate. Qualitative researchers are sensitive to changes during the research</li> </ul>   | <ul style="list-style-type: none"> <li>Face-to-face interviews for example, may consist of a semi-structured questionnaire, thus allowing the researcher some flexibility during the interview process to add or amend questions. Emergent questions may only become</li> </ul>   |



| ATTRIBUTE | DISCUSSION                                   | RELEVANCE                          |
|-----------|--|------------------------------------|
|           | period and may shift the focus of the study. | clear during the research process. |

Researcher's own construct conceptualised from Fitch (1994); Mouton (1996); Barker (1999); Du Plooy (2002); Johnson and Onwuegbuzie (2004); Creswell (2007); Cousin (2010); Daymon and Holloway (2011); Neuman (2011); Saldana et al (2011); Bless et al (2013); Roller and Lavrakas (2015); Creswell (2016); Dudovskiy (2016).

Equally, many theorists have debated the justification for the choice between a qualitative versus a quantitative research design. The scope of this chapter does not allow for a detailed discussion on the differences and similarities between quantitative and qualitative research paradigms. However, true to the metamodern worldview of this study, it is important to recognise the similarities between the two paradigms (Bryman 2008a:395). Deciding on a qualitative paradigm, thus, does not exclude the attributes of the quantitative paradigm completely. Cooper and White (2012:18) identify relevant keywords in both paradigms and graphically demonstrate the overlap between the paradigms as illustrated in Figure 6.1.



**Figure 6.1: Key words and identifiers in paradigms and approaches to research**

Source: Cooper and White (2012:18).

The key words highlighted in red [own emphasis] in Figure 6.1 are all relevant to this study confirming the overlap between the quantitative and qualitative paradigms, even though qualitative research was the chosen as the preferred paradigm for this study.

Taking cognisance of the criticism against qualitative research, the decision for a qualitative paradigm for this study was based on the fact that the research problem and questions were of such a nature that the following qualities of qualitative research

were applicable: the researcher needed to adopt an insider perspective and speak to subjects who had first-hand experience of the stakeholder relationship management practices of the organisation; the researcher attempted to gain a holistic view of what was being studied; the researcher focussed on subjective data in the minds of individuals that could be expressed in words; data needed to be collected within the context of its natural occurrence and the research objectives were exploration and discovery (Leedy 1997:144; Burke & Christensen 2002; Creswell 2007:2016; Neuman 2011:175).

Accepting that it may be difficult to identify one's own bias (Cooper & White 2012:12) and recognising emotional involvement as an intrinsic aspect and valid input of all research (Keegan 2006:671; Daymon & Holloway 2011:9), it is argued that employing scientific, rigorous methods to test trustworthiness, reliability and validity would negate the potential problem of bias of qualitative research, and that "it is precisely the rigorous, reflective, reflexive, intuitive, contextualized subjectivity, embodied in excellent qualitative research which is its greatest strength" (Keegan 2006: 670).

### **6.4 RESEARCH METHODOLOGY**

The research methodology followed in identifying the appropriate sample and in obtaining, analysing and interpreting the data, is discussed in the next section.

#### **6.4.1 Unit of analysis**

Units of analysis can be defined as "the collection of 'things' that will be studied" (Barker 1999:87) and represents the smallest elements under investigation (Du Plooy 2002:53). Babbie (2016:97) posits that units of analysis – who or what being is studied – are virtually unlimited in social research, but that the most typical units of analysis are individual people. Considering the theoretical claims (including those of the King IV Report on Corporate Governance) discussed in the foregoing chapters that stakeholder relationship management is a management function, Babbie's view holds true for this study with its focus on the role of NPO *managers* in the practice of effective stakeholder relationship management. The entity to which the conclusions of this

research study should apply (Mouton 1996:91), is therefore defined as *individuals in NPOs*, representing the unit of analysis to be studied.

#### 6.4.2 Population and target population

The population consists of the “universe of units” (Bryman 2008a:168), in other words, all possible units of analysis, whereas the target population represents the actual population to which the findings should be generalised (Du Plooy 2002:101). Mouton (1996:134) defines population as the “sum total of all the cases that meet our definition of the unit of analysis” and Leedy and Ormrod (2015:182) posit that a population is generally a homogeneous group of individual units. The accessible population for this study therefore is *individuals in NPOs in South Africa*. The target population, representing the population to be generalised to (Mouton 1996:135), is *managers in registered NPOs based in Gauteng*, with the understanding that *managers* would include chief executive officers (CEOs), managing directors, heads of divisions (HODs), and/or individuals in a managerial position, including those responsible for the organisation’s communication function.

The decision to limit the target population to Gauteng-based registered NPOs and not the entire South Africa, is contextualised in the next section.

#### 6.4.3 Sampling strategy

Focussing on CEOs and/or managers of Gauteng-based registered NPOs as the target population, implied that not every unit in the population had an equal (or probable) chance to be selected as part of the sample. This study therefore made use of non-probability sampling, which is typical of most sampling methods in qualitative research (Bryman 2008a:415) as opposed to probability sampling. It should be noted that the results of this research study cannot be generalised to the population of the study, since not all units in the population had an equal chance of being selected (Patton 1990:186; Leedy & Ormrod 2015:182; Babbie 2016:190). The sample was selected deliberately for a particular purpose and therefore indicates a purposive sample (Leedy & Ormrod 2015:183), not with the intention to generalise the findings

to the entire population, but to “elucidate the particular, the specific” (Creswell 2007:128).

Barker (1999:138) defines a purposive sample as “a form of non-probability sample in which the subjects selected seem to meet the study’s needs”. Purposive sampling, also known as judgemental sampling, is based on the judgement of an expert or the researcher in selecting cases with a specific purpose in mind (Neuman 2011:268; Babbie 2016:187). Creswell (2007:125) states that purposeful sampling “means that the inquirer selects individuals and sites for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study”. The need and purpose of this study were to develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner, and information-rich samples were therefore purposefully selected, since it was argued that the most valuable data could be gained from them (Patton 1990:163; Babbie 2016:187). Purposive sampling was applied on two levels. Firstly, registered NPOs were selected based on the fact that the final stakeholder relationship management model should be applicable to them and secondly, CEOs and/or managers were selected based on the argument that stakeholder relationship management is considered a management function.

Cohen and Crabtree (2006) define homogeneous sampling as the “process of selecting a small homogeneous group of subjects or units for examination and analysis” and the purpose of homogeneous sampling is to investigate in-depth a subgroup or phenomena (Patton 1990:173). In the case of this study the subgroup, namely management in Gauteng-based registered NPOs, as well as the phenomenon of stakeholder relationship management in NPOs, was under investigation. The realised sample can therefore be considered a relatively homogeneous group since they shared at least five similar traits that were useful to the researcher. The homogeneous factors pertaining to the sample included: participants in a management position (1) in Gauteng-based registered (2) NPOs (3) with regular (4) stakeholder contact (5). It is acknowledged that a number of diverse characteristics existed amongst the participants which comprised of varying ages, gender, years of service and personal experiences, but the homogeneity of the group enabled comparability

within the sample and assisted in identifying similarities and diversity (Luborsky & Rubinstein 1995:106).

Some theorists argue that convenience sampling (also referred to as haphazard, accidental or availability sampling) is not strategic or purposeful and is therefore the least desirable sampling technique (Patton 1990:181; Bryman 2008a:415). Convenience sampling is a non-probability sampling technique where the main criteria are to select cases that are easily accessible, convenient and apparently able to offer data of interest to the study (Barker 1999:138; Bryman 2008a:183; Neuman 2011:242; Babbie 2016:186). The main criticism against convenience sampling is that it may be biased, that there is no control over the sample, that it seldom produces a representative sample, that it is risky, and that great care should be taken in generalising the findings (Bless and Higson-Smith 1995:94; Neuman 2011:242; Babbie 2016:186). Taking cognisance of these views, the realised sample was admittedly convenient to some extent. It was, however, not selected because it was easy, cheap or quick as some theorists define convenience sampling (Neuman 2011:242), or because “the researcher selected anyone he or she happens to come across” (Neuman 2011:242), or because anyone who had anything to do with the phenomenon was selected (De Vos et al 2011:232), but because it was dependent on the willingness of the participants to partake, and the proximity of the research sites.

#### **6.4.4 Sampling frame, sample and realised sample**

Mouton (1996:135) defines the sampling frame as the basis from which the actual sample will be drawn. Barker (1999:152) posits that the quality of a sample is dependent on the quality of the sampling frame and that the sampling frame should represent the population adequately. The sampling frame thus represents all the units in the population from which the sample will be selected. Babbie (2016:201) simplifies the definition of a sampling frame by stating that it is the “list or quasi list of units from which a sample is selected”. According to him, the sampling frame should include all or nearly all members of the stated population in order to be representative. Du Plooy (2002:113) states that a sampling frame cannot be compiled in the case of non-probability sampling and is more applicable to quantitative studies. However, in line with the metamodern worldview of this study and the foregoing illustration of the

overlap between quantitative and qualitative research, it is argued that the sampling frame of this study can be regarded as all (or nearly all) CEOs and managers in NPOs in South Africa. It was impossible to group the estimated 50 000 unregistered NPOs operational in South Africa (Stuart 2013) on a list of any kind, and the sampling frame for this study was therefore limited to CEOs and managers of only registered organisations in the South African NPO sector, resonating with Babbie's (2016:201) notion of "nearly all members of the stated population".

In contextualising the growth in the South African NPO sector, Chapter 5 indicated that 136 453 NPOs were registered with the Department of Social Development by the end of March 2015, of which 32% were registered in Gauteng (South Africa, Department of Social Development 2015:4). No list of registered non-profit companies (NPCs) appears on the Companies and Intellectual Properties Commission's website, but by February 2017 close to 17 000 public-benefit organisations (PBOs) appear on the South African Revenue Services' list as tax-exempt section 18A POBs (South African Revenue Services 2017). The chosen sampling method of non-probability sampling through convenience and purposive sampling (discussed in the previous section) resulted in selecting the final sample from Gauteng-based registered NPOs (registered as a non-profit organisation (NPO), non-profit company (NPC), public-benefit company (PBO), a trust, or a combination of any of these as explicated in Chapter 5, Table 5.2) and the realised sample of CEOs and managers emanated from these lists.<sup>1</sup>

There are no rigid guidelines for sample size in qualitative research (Daymon & Holloway 2002:163, Lindlof & Taylor 2011:117) and Patton (1990:184) in fact declares that there are no rules. Anderson (1987:171) argues that the complexity of that what is being studied, the precision with which it should be approached, and the researcher's available resources play a role in determining the sample size. Patton (1990:184) adds that the sample size will depend on what the researcher wishes to know, what the purpose of the study is, what will be regarded as useful and credible,

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<sup>1</sup> The complete lists of registered South African NPOs and PBOs are too extensive to replicate here, but they are available from the South African Department of Social Development's website, at: [http://www.dsd.gov.za/npo/index.php?option=com\\_docman&task=cat\\_view&gid=90&Itemid=39](http://www.dsd.gov.za/npo/index.php?option=com_docman&task=cat_view&gid=90&Itemid=39) and the South African Revenue Services' website at <http://www.sars.gov.za/ClientSegments/Businesses/TEO/Pages/Approved-Section18A-PBO's.aspx>

and what is achievable within the available time and resources. Qualitative research is generally based on small sampling units studied in depth (Patton 1990:169; Daymon & Holloway 2002:163) and information-richness of the selected cases, resulting in meaningful insights, plays a more important role in qualitative research than sample size (Patton 1990:185).

Based on the above considerations, Gauteng-based registered NPOs were purposefully selected, ensuring that they were representative of small, medium and large NPOs focussing on a variety of sectors as illustrated in Table 6.4.


The offices of the CEOs of Gauteng-based registered NPOs were contacted telephonically, requesting their participation in the study. A written communication was sent to those who agreed to an interview, confirming their participation and providing them with further logistical details (see Addendum A). Saturation of data was reached around the tenth interview, but the researcher ensured credibility by doing seven more interviews. The realised sample thus consisted of 17 interview participants representing 12 organisations. One of the participating organisations is registered as a social enterprise and functions as a for-profit organisation. Social enterprises endeavour to address social and environmental problems and represent a convergence between traditional business and NPOs (Bertha Centre for Social Innovation & Entrepreneurship 2015:2). Although all profits made by the organisation in question are allocated to a single shareholder who in turn distributes these profits to social development initiatives, the data collected from this participant was not utilised, since the organisation did not strictly comply with the criteria of the sampling design. It was nonetheless analysed and it is interesting to note that none of these findings contradicts the findings of the interviews with the NPOs. The sample and realised sample are indicated in Table 6.4. The names of the organisations are mentioned with permission from all the participants, but in the ethical interest of anonymity, the names of the individual participants are withheld.



**Table 6.4: South African NPOs comprising the sample and realised sample**

| <b>SAMPLE</b>                   | <b>REALISED SAMPLE</b>  | <b>CHARACTERISTICS OF REALISED SAMPLE</b>   |
|---------------------------------|---|---|
| Zenex Foundation                | Zenex Foundation <ul style="list-style-type: none"> <li>Two interviewees</li> </ul>               | <b>Sector:</b> Education<br><b>Operational in:</b> Gauteng<br><b>Size:</b> Medium<br><b>Registered as:</b> NPO <sup>2</sup> and Trust                                     |
| MES                             | MES <ul style="list-style-type: none"> <li>Two interviewees</li> </ul>                            | <b>Sector:</b> Social services<br><b>Operational in:</b> Johannesburg, Pretoria, Kempton Park, Cape Town<br><b>Size:</b> Medium<br><b>Registered as:</b> NPO, NPC and PBO |
| Madulammoho Housing Association | Madulammoho Housing Association <ul style="list-style-type: none"> <li>One interviewee</li> </ul> | <b>Sector:</b> Housing and development<br><b>Operational in:</b> Gauteng and Western Cape<br><b>Size:</b> Medium<br><b>Registered as:</b> NPC                             |
| Sesego Cares                    | Sesego Cares <ul style="list-style-type: none"> <li>Two interviewees</li> </ul>                   | <b>Sector:</b> Social services<br><b>Operational in:</b> Southern Africa<br><b>Size:</b> Small<br><b>Registered as:</b> NPO, NPC and PBO                                  |
| The Topsy Foundation            | The Topsy Foundation <ul style="list-style-type: none"> <li>One interviewee</li> </ul>            | <b>Sector:</b> Social services<br><b>Operational in:</b> Mpumalanga<br><b>Size:</b> Medium<br><b>Registered as:</b> NPO, NPC and PBO                                      |
| The Cradle of Hope              | The Cradle of Hope <ul style="list-style-type: none"> <li>Two interviewees</li> </ul>             | <b>Sector:</b> Social services<br><b>Operational in:</b> Gauteng and North West Province<br><b>Size:</b> Small<br><b>Registered as:</b> NPO, NPC and PBO                  |
| Jet Education Services          | Jet <ul style="list-style-type: none"> <li>Two interviewees</li> </ul>                            | <b>Sector:</b> Education<br><b>Operational in:</b> National<br><b>Size:</b> Large<br><b>Registered as:</b> NPO and PBO  |
| Afrika Tikkun Services          | Africa Tikkun Services <ul style="list-style-type: none"> <li>One interviewee</li> </ul>          | <b>Sector:</b> Social development<br><b>Operational in:</b> Gauteng and Cape Town<br><b>Size:</b> Small<br><b>Registered as:</b> Social enterprise                        |

<sup>2</sup> NPO = Non-profit organisation, NPC = Non-profit company, PBO = Public-benefit organisation

| SAMPLE  | REALISED SAMPLE   | CHARACTERISTICS OF REALISED SAMPLE   |
|---|---|--|
| Happy with a Purpose                                  | Happy with a Purpose <ul style="list-style-type: none"> <li>One interviewee</li> </ul>        | <b>Sector:</b> Health services<br><b>Operational in:</b> Nationally<br><b>Size:</b> Small<br><b>Registered as:</b> NPO and NPC   |
| Wheelwell   | Wheelwell <ul style="list-style-type: none"> <li>One interviewee</li> </ul>                   | <b>Sector:</b> Road safety<br><b>Operational in:</b> Nationally<br><b>Size:</b> Small<br><b>Registered as:</b> NPC               |
| New Leaders Foundation                                | New Leaders Foundation <ul style="list-style-type: none"> <li>One interviewee</li> </ul>      | <b>Sector:</b> Education<br><b>Operational in:</b> Nationally<br><b>Size:</b> Medium<br><b>Registered as:</b> NPC                |
| National Eisteddfod Academy (NEA)                     | National Eisteddfod Academy <ul style="list-style-type: none"> <li>One interviewee</li> </ul> | <b>Sector:</b> Culture and entertainment<br><b>Operational in:</b> Nationally<br><b>Size:</b> Large<br><b>Registered as:</b> NPC |
| Business and Arts South Africa (BASA)                 | Not interviewed   |  <b>Not interviewed due to data saturation</b> |
| Concerned Parents Association of Eersterust (CPAoE)   | Not interviewed   |  |
| Ruth First Jeppe High School For Girls Memorial Trust | Not interviewed   |  |
| Nashua Children's Charity Foundation                  | Not interviewed   |  |
| Baby Moses Sanctuary                                  | Not interviewed   |  |
| Orlando Children's Home                               | Not interviewed   |  |
| Sunflower Foundation                                  | Not interviewed   |  |
| SAIDE   | Not interviewed   |  |
| Bridge  | Not interviewed   |  |
| Molteno   | Not interviewed   |  |
| Math Centre   | Not interviewed   |  |

#### 6.4.5 Data collection

The terminology *participant*, *respondent*, *interviewee*, *object* or *subject* is used interchangeably in the literature when referring to the source of the data. Accepting that the researcher is also a participant in the interview (Du Plooy 2002:187),

*participant* will be used in this study when referring to the individuals who were interviewed, as it has been argued that the cooperation and *participation* of the interviewed individuals are necessary to obtain insights from their perspectives. The interviews conducted with the individuals will be referred to as *face-to-face* interviews and not *one-on-one* interviews, as the latter could include telephonic interviews or on-line discussions via the Internet (Bless & Higson-Smith 1995:114; Barker 1999:204; Daymon & Holloway 2002:172; Berg 2007:108; Bryman 2008a:457; Babbie 2016:271), which was not the case in this study.

Data was thus collected through face-to-face semi-structured interviews with the research participants from the NPOs indicated in the realised sample in Table 6.4.

#### **6.4.5.1 Face-to-face semi-structured interviews**

Berg (2007:89) defines interviewing as a “conversation with a purpose”, specifically to gather information, and Babbie (2016:267) refers to it as a “data-collection encounter” in which ideally the participant does most of the talking. Face-to-face interviews imply a conversation and a temporary relationship between the researcher and the participant, where the participant is allowed and encouraged to share his/her knowledge (or lack thereof) and perceptions of the phenomenon under investigation (Jones 1991:203; Du Plooy 2002:175). It allows the researcher to understand the perspectives of interview participants (Daymon & Holloway 2002:167) and should resemble a conversation, rather than a question-and-answer session (Barker 1999:247).

Theorists distinguish between unstructured (unstandardised), semi-structured (semi-standardised) and structured (standardised) face-to-face interviews (Gillham 2000:6; Daymon & Holloway 2002:170; Berg 2007:93; Bryman 2008a:437; Alvesson 2011:9). The main differences between these three types of interviewing pertain to the rigid format of the interview and questioning, as well as the researcher’s freedom to adjust, clarify, delete or add questions during the interview (Daymon & Holloway 2002:170; Berg 2007:93; Bryman 2008a:437). During a structured interview, questions are asked in a predetermined order without any deviation, while the researcher mainly encourages a participant to talk broadly and unstructured about a particular topic

during an unstructured interview (Du Plooy 2002:177; Bryman 2008a:438). Semi-structured interviews allow the researcher to reorder questions during the interview, to be flexible in the wording of the questions, to clarify any unclear questions, to deviate, and to add or delete questions where necessary (Jones 1991:203; Du Plooy 2002:177; Berg 2007:93; Bryman 2008a:437). Face-to-face semi-structured interviews were identified as the appropriate data collecting technique for this study as it was posited that the flexible format of this technique would enable an empathetic and in-depth understanding of stakeholder relationship management practices in South African NPOs. Further advantages of face-to-face semi-structured interviews such as collecting comprehensive data situated within its own social context, the ability to record data, increased participant cooperation during the interview, the possibility of using visual aids (for example printed colour copies of the proposed stakeholder relationship management framework conceptualised in the previous chapter), the opportunity to clarify unclear questions, the potential to minimise “don’t know” answers and the potentially high response rate (Patton 1990:288; Daymon & Holloway 2002:167; Babbie 2016:267) reinforced the choice of face-to-face semi-structured interviews as the appropriate data collection technique.

Face-to-face interviewing holds certain challenges for the researcher and the issues highlighted in Table 6.5 were taken into consideration.

**Table 6.5: Issues pertaining to face-to-face interviewing**

| ISSUE  |
|--|
| <ul style="list-style-type: none"> <li>• Interviews could be time consuming and labour intensive, particularly during the transcribing and data analysis stage.</li> <li>• The interviewer may have an effect on the interview which needs to be acknowledged.</li> <li>• The interviewer may misinterpret the words of the participant.</li> <li>• The relationship between the researcher and the participant is not always equal.</li> <li>• Accessing participants in positions of power can be difficult because of their busy schedules.</li> <li>• Trust has to be developed and the researcher would need good communication competencies, including listening skills, to achieve this.</li> <li>• Differences between the researcher and the participant such as age, knowledge, hierarchical status and respective goals may influence the relationship between the researcher and participant.</li> </ul> |

| ISSUE   |
|---|
| <ul style="list-style-type: none"> <li>• Interviewers must adopt a pleasant demeanour and take cognisance of their own dress code, mirroring that of the participant.</li> <li>• Establishing rapport by having a real interests in understanding the participant, by being attentive and by not arguing, are imperative.</li> <li>• Important and relevant topics pertaining to the phenomenon under investigation may be omitted.</li> <li>• Participants are not anonymous although responses can be kept confidential and anonymous.</li> <li>• Interviewer bias is greatest in face-to-face interviews and should be guarded against.</li> </ul> |

Researcher's own construct conceptualised from Patton (1990); Bless and Higson-Smith (1995); Denzin and Lincoln (2000); Daymon and Holloway (2002); Du Plooy (2002); Creswell (2007); Neuman (2011); Babbie (2016).

Interviewers play the role of observer-participant (Du Plooy 2002:187) during the interview and need to monitor the content of the answers as well as pace the direction of the interaction (Neuman 2011:343). At the same time, they should ensure that they communicate clearly at the language level of the participants (Berg 2007:102) and move around a participant's potential avoidance rituals without violating social norms or causing the participant to lie. In order to achieve this, interviewers should therefore identify key words, phrases and ideas (Berg 2007:115). The interviewer is not completely passive, but directs the general flow of the conversation by probing deeper and by listening carefully and non-judgementally (Daymon & Holloway 2002:176; Babbie 2016:313). Patton (2002:372) refers to probes as follow-up questions used to "deepen the response to a question, increase the richness and depth of responses and give cues to the interviewee about the level of response that is desired". It is a verbal or non-verbal interview technique used to find more complete answers, to reduce ambiguity (Daymon & Holloway 2002:176) and to ask for explanations or ideas (Creswell 131:2016). Although recommended and useful, probing should not be unnatural or affect the nature of the subsequent answer (Babbie 2016:270). Probing was used during the interviews and possible probing questions were determined and included in the interview guide before conducting the interviews.

Concurring with Patton (2002:341) that the quality of the information obtained during the interview is mainly dependent on the interviewer, the role of the interviewer and

the potential impact thereof on the trustworthiness, reliability and validity of the data was considered continuously during the interview process. The researcher addressed all the potential issues and paid specific attention to the prevention of interviewer bias, appropriate appearance, tone of voice and the wording of the questions, since these factors were regarded as the greatest potential disadvantages of face-to-face interviews.

#### **6.4.5.2 Interview guide**

Daymon and Holloway (2002:272) claim that an *interview schedule* is appropriate only in quantitative research and that an *interview guide* is used in qualitative research. They define an interview guide as “loosely formed questions which are used flexibly by the interviewer in qualitative in-depth interviews” and Lindlof and Taylor (2011:199,200) characterise an interview guide as less formal than an interview schedule. Reviewing the literature reveals that qualitative researchers use both *interview guide* and *interview schedule*, but following Daymon and Holloway’s suggestion, the terminology *interview guide* will be used in this study.

An interview guide contains predetermined questions and assists the researcher to collect similar types of data from participants, albeit in a flexible manner (Daymon & Holloway 2002:171). It is typically used in unstructured or semi-structured interviews (Bryman 2008a:295). Open-ended questions which allowed participants to express themselves freely and respond in their own words (Paton 2002:353; De Vos et al 2011) were asked during the semi-structured interviews. Open-ended questions were constructed in such a manner that participants were free to select the most salient response from their “full repertoire of possible responses” (Patton 2002:354), thus avoiding dichotomous questions which could have been answered with a simple “yes” or “no”.

A substantial number of aspects, shown in Table 6.6, were considered in constructing and framing the questions.

**Table 6.6: Aspects considered in constructing and framing open-ended questions**

| ASPECTS   |
|---|
| <ul style="list-style-type: none"> <li>• Singular questions were asked containing no more than one idea in any given question.</li> <li>• Understandable and clear questions were asked to ensure rapport.</li> <li>• No leading or ambiguous questions were asked.</li> <li>• Care was taken to remain neutral about the content of participants' responses, whilst striving to establish rapport with participants.</li> <li>• Illustrative examples were offered if initial straightforward open-ended questions failed to prompt a thoughtful response.</li> <li>• Questions were relevant, short and free of negative and biased terms.</li> </ul> |

Researcher's own construct conceptualised from Bless and Higson-Smith (1995); Patton (2002); Berg (2007); Bryman (2008a); De Vos et al (2011); Babbie (2016).

Although semi-structured interviews allow for considerable flexibility, some systematic order was created by ordering topics and questions in the interview guide in such a manner that they would assist in answering the research questions (Patton 2002:349; Bryman 2008a:442). The topics and questions in the interview guide pertaining to this study were aligned with the four stages of the conceptual metamodern framework for stakeholder relationship management for NPOS as proposed in the previous chapter. Each stage of this framework was derived from a proposition which in turn, resulted in a research question as illustrated in the foregoing discussion on the research questions. The order of the topics and questions in the interview guide, attached as Addendum B, mirrors this process.

#### **6.4.5.3 Pilot test**

Gillham (2000:55) describes interview piloting as a reality test that will illuminate new issues and highlight the need for rewriting some questions. He also suggests transcribing and analysing the data of each piloted interview to guarantee that the material is developed in such a manner that it is susceptible to analysis. Pilot testing is done prior to conducting the actual interviews in order to refine the interview questions and procedure (Creswell 2007:133).

A pilot test was conducted to ensure the quality of the interview guide and to pre-determine any problematic areas such as ambiguous, leading or vague questions (De Vos et al 2011:195; Babbie 2016:259). The interview guide was initially shown to and discussed with a research expert and then pretested with participants who were not part of the sample, but who represented characteristics of the sample population (Babbie 2016:259). Feedback on the interview questions and procedure was taken into account and the necessary refinements were made. The first informal piloting of the interview guide with a communication specialist resulted in the elimination of two questions in order to avoid a too lengthy interview. The second, formal pilot interview resulted only in minor amendments to the order of the biographical questions. This interview was transcribed in full by the researcher as suggested by Gillham (2000:55) and it was concluded that the developed material was susceptible to analysis.

Testing the interview guide in this manner assisted in confirming that all the necessary questions were included, that the language was meaningful to the participants and that it motivated participants to answer comprehensively (Berg 2007:105).

Ensuring that the interview guide and questions were of good quality served towards strengthening the trustworthiness, reliability and validity of this qualitative study.

#### **6.4.5.4    *Interviewing procedure***

Interview times and venues were confirmed in writing with willing participants. The purpose of the study was explained to each participant at the outset of the interview, assuring them of anonymity and that information obtained from them would be treated as confidential. Biographical data was captured before the interview questioning commenced.

Interviews were recorded digitally in a non-obtrusive manner and with the permission of the participants as recommended by research specialists (Daymon & Holloway 2002:178; Creswell 2007:133; Bryman 2008a:451). Recording the interviews allowed the researcher to observe non-verbal communication and to listen attentively without the disruption of note-taking (Patton 2002:381). Flexibility with the sequencing and wording of questions during interviews was managed to some extent in order to avoid



too many different responses from different perspectives, which would have reduced the comparability of responses (Patton 2002:349). The recordings were replayed after each interview in preparation for the next one, as suggested by Babbie (2016:313), effective and less-effective questions were identified, and the researcher listened not only to *what* participants said, but also to *how* they said it (Bryman 2008a:315).

Participants were informed that the interviews would be transcribed in full and their permission was sought in contacting them again should any information needed clarification. Some participants made post-interview remarks which were regarded as relevant to the study and, from an ethical perspective, their permission was asked to use those remarks for the research (Bryman 2008a:457). Agreeing with Smith (2009:92) that transcribing an interview does not necessarily allow the researcher to immerse herself in the data since the focus is to a large extent on the process of typing correctly, a decision was made to outsource the transcription of the interviews to a professional transcription service who had confidentiality agreements with their transcribers in place. The transcription service was provided with strict transcription protocols in order to assure verbatim, accurate, consistent and precise transcriptions (Lindlof & Taylor 2011:213). The researcher, however, ensured the quality of the transcriptions by checking each transcription against the original audio file for correctness (transcriptions are available on request). Recognising that transcriptions are never exact copies and that tone, volume, pitch and intonation are lost in the written text (Anderson 1987:335), the researcher made reflective notes after each interview and documented observations about where and when the interview took place, how it went, what the general atmosphere was, and if it opened up new avenues for possible investigation (Bryman 2008a:444). These reflective interview notes (see Addendum C for an example) allowed the researcher to become immersed in the data and sensitive to important issues as they emerged (Daymon & Holloway 2002:179).

Each participant received a written reply after the interview, thanking them for their participation.

#### 6.4.6 Trustworthiness and verification

Accepting that researchers are active participants in an interview and that the results of interviews cannot be divorced from the context in which they were gathered (Fontana & Frey 2000:663), an earnest attempt was made to verify the quality of the research process, as well as to ensure the trustworthiness, reliability and validity of the data and the findings (Guba 1981:80; Lincoln & Guba 2000:163; Morse et al 2002:13).

Guba (1981:78) asserts as early as 1981, that *rigour* is the quality criterion for data and findings used by proponents of rationalistic inquiry, whereas naturalistic inquirers are more concerned with the *relevance* of data and findings. Lincoln and Guba (Guba 1981:80;88; Lincoln & Guba 2000:163) argue that naturalistic inquiry (qualitative research) has its own set of criteria for quality and that it is impractical to apply the rationalistic inquiry (quantitative research) criteria of validity, reliability and objectivity to naturalistic inquiry. They substitute *reliability* and *validity* with *trustworthiness* and posit that the concerns of truth value, applicability, consistency and neutrality should be addressed when assessing the trustworthiness of qualitative data and findings. Instead of using the traditional terminology, they advocate new terminology appropriate for these four aspects of trustworthiness, namely *credibility* in relation to truth value (rather than internal validity), *transferability* in relation to applicability (rather than external validity and generalisability), *dependability* in relation to consistency (rather than reliability) and *confirmability* in relation to neutrality (rather than objectivity). Within each of these aspects specific methodological strategies are suggested for demonstrating trustworthiness (see Table 6.7). Even though Guba (1981:76) described their seminal effort as “primitive”, their criteria for assessing trustworthiness became increasingly popular over the years and have been employed and cited by numerous qualitative researchers and authors (Krefting 1991; Morse et al 2002; Rolfe 2006; Creswell 2007; Koschmann 2008; De Vos et al 2011; Meintjes 2012; Slabbert 2012).

In contrast with Lincoln and Guba (Guba 1981:80;88; Lincoln & Guba 2000:163), Morse et al (2002:13) argue that reliability and validity are still appropriate concepts for accomplishing rigour in qualitative research. Reliability refers to consistency or

dependability and suggests that the same phenomena will occur under similar circumstances, whereas validity is concerned with truthfulness and how well an idea actually corresponds with reality (Barker 1999:109;114; Neuman 2011:208; Babbie 2016:146;148). Morse et al (2002:14) posit that Lincoln and Guba's strategies for assessing trustworthiness are done at the end of a study, which implies that a researcher could run the risk of "missing serious threats to the reliability and validity until it is too late to correct them". They (Morse et al 2002:16) argue that the literature on validity has become "muddled" and that researchers fail to illustrate how they ensured quality during the research process, but rather focus on post-hoc evaluation, thus disempowering themselves to correct problems before it is too late. Morse et al's effort to combat this problem resulted in verification strategies that would assist the researcher during the process of inquiry to attain reliability and validity. They (Morse et al 2002:17) posit that these verification strategies should be built into the research process and suggest investigator responsiveness, methodological coherence, theoretical sampling, sampling adequacy, an active analytic stance and saturation as appropriate strategies.

A few years later, Lincoln and Guba (2007:19-20) expressed discomfort with the fact that they have paralleled the criteria for trustworthiness in naturalistic research with criteria for rigour in the positivist paradigm. They claim that the naturalistic paradigm is worthy of its own unique and intrinsic criteria and propose the term *authenticity* to refer to new criteria such as fairness, ontological authentication, educative authentication, catalytic authentication and tactical authenticity. The authors admit that these criteria do not represent solutions yet, and are merely suggestive of ways in which new criteria can be developed (Lincoln & Guba 2007:25). These criteria were therefore regarded as underdeveloped and thus not appropriate for this study.

However, in line with the metamodern worldview of this study, it was argued that it is not necessary to kill one paradigm in favour of another, and that paralleling positivist criteria of rigour with naturalistic criteria of trustworthiness, represents a perfect example of oscillation between modernism and postmodernism. A decision was therefore made to use both Lincoln and Guba's (2000) criteria for assessing the trustworthiness of the data and findings, as well as Morse et al's (2002) verification

strategies for establishing the reliability and validity of the study. The process followed to achieve this is explicated in Table 6.7.

Table 6.7: Trustworthiness criteria and verification strategies

| CRITERIA FOR TRUSTWORTHINESS |  |  |  |
|------------------------------|--|--|--|
| Criteria                     | Description  | Methods to achieve criteria  | Steps taken by researcher  |
| Credibility                  | <ul style="list-style-type: none"> <li>Credibility is the qualitative equivalent to internal validity and is concerned with the truth value of the findings from the perspectives of the research participants. Contrary to quantitative researchers, qualitative researchers accept that the number of interlocking factor patterns that confront them, may pose problems to interpretation. They deal with these patterns in their entirety, but measures are put in place to account for the complexities of these patterns.</li> </ul> | <ul style="list-style-type: none"> <li><i>Prolonged engagement</i> at a site to allow both researcher and participant to become comfortable.</li> <li><i>Persistent observation</i> so that an understanding of what is essential and typical of a situation is achieved.</li> <li><i>Peer briefing</i> so that researchers can test their insights and be exposed to searching questions.</li> <li><i>Triangulation</i> by pitting a variety of data sources, methods, perspectives and theories against each other in order to cross-check data and interpretations.</li> <li><i>Collection of referential adequacy materials</i> such as documents films and other items against which findings and interpretations can be tested.</li> </ul> | <ul style="list-style-type: none"> <li><i>Prolonged engagement</i> – Although aware of the danger of too long interviews, sufficient time was scheduled to allow the researcher and participant to become comfortable.</li> <li><i>Triangulation</i> – Various perspectives were included in analysing the data and the variety of theories studied and documented in the forgoing chapters were used to interpret the data. Source triangulation was done by examining the consistency of the different data sources and analyst triangulation was done by using a topic and research specialist<sup>3</sup> to review the data. The purpose of triangulation was not to demonstrate that different data sources produced the same results, but rather to explain any existing inconsistencies.</li> <li><i>Member checks</i> – Data and interpretation thereof were continuously checked with</li> </ul> |

<sup>3</sup> A research professor and supervisor for this study at the University of South Africa

|                 |  |  |   |
|-----------------|--|--|---|
|                 |  | <ul style="list-style-type: none"> <li>• <i>Member checks</i> by checking data and interpretations continuously with participants as they are obtained.</li> <li>• <i>Establishing structural corroboration</i> by checking data and interpretations against each other in order to guard against internal conflict or to be able to explain such conflict, should it exist.</li> <li>• <i>Establishing referential adequacy</i> by using all referential material collected during the study to test final analyses and interpretations against.</li> </ul> | <p>participants during each interview in order to ensure the researcher's interpretation is in line with the participants' intended meanings.</p> <ul style="list-style-type: none"> <li>• <i>Structural corroboration</i> – Data and interpretations were checked against each other to guard against internal conflict, or to explain it.</li> <li>• <i>Referential adequacy</i> – All referential material collected during the study was used in testing final analysis and interpretations.</li> </ul>   |
| Transferability | <ul style="list-style-type: none"> <li>• Transferability is concerned with the applicability of the findings and is referred to as external validity or generalisability in quantitative studies. Qualitative researchers, however, believe that generalisations are not possible because social and human phenomena are context-bound and interpretations and statements should be context-relevant.</li> </ul> | <ul style="list-style-type: none"> <li>• <i>Theoretical or purposive sampling</i> which is not aimed to be representative, but is focussed on maximising the range of uncovered information.</li> <li>• <i>Collect thick descriptive data</i> in order to compare the context to other possible contexts to which transferability may be considered.</li> <li>• <i>Develop thick description of the context</i> in which the data</li> </ul>   | <ul style="list-style-type: none"> <li>• <i>Purposive sampling</i> – The sample was selected deliberately and therefore purposive, not with the intention to generalise the findings to the entire population, but to maximise the range of information uncovered.</li> <li>• <i>Thick descriptive data</i> – Open-ended questions and the semi-structured interview design enabled participants to provide thick and descriptive data.</li> <li>• <i>Thick description of the context</i> – The context in which the data was obtained was noted in detail by the</li> </ul> |

|                |  | was obtained in order to compare with similar contexts.   | researcher in order to compare to similar contexts.   |
|----------------|--|---|---|
| Dependability  | <ul style="list-style-type: none"> <li>Dependability is concerned with the consistency of measuring instruments and is the analogue of quantitative validity. Qualitative researchers accept that humans as instruments change not only as a result of error (for example fatigue), but also as a result of new insights. Instability is thus real and the variance on consistency can be accounted for, thus confirming dependability.</li> </ul> | <ul style="list-style-type: none"> <li><i>Overlap methods</i> whereby different methods are used as a form of triangulation. Different methods producing the same result strengthen the case for stability, thus rendering the data dependable.</li> <li><i>Stepwise replication</i> in which two separate research teams deal separately with data sources that have been divided into two and compare insights continuously in order to decide on appropriate next steps.</li> <li><i>Establish an audit trail</i> so that an external auditor could verify the data collection and analysis process.</li> <li><i>Arrange for a dependability audit</i> after the study whereby an external auditor examines the audit trail and comment on the process of inquiry followed.</li> </ul> | <ul style="list-style-type: none"> <li><i>Overlap methods</i> – Source triangulation was done by examining the consistency of the different data sources, and analyst triangulation was done by using a topic and research specialist to review the data.</li> <li><i>Audit trail</i> – The data collection and analysis processes were documented in detail and all recordings, transcripts and relevant documents were made available for examination by any external party.</li> <li><i>Dependability audit</i> – A research specialist examined the audit trail and commented on the quality of the inquiry process.</li> </ul> |
| Confirmability | <ul style="list-style-type: none"> <li>Confirmability is concerned with neutrality (objectivity in</li> </ul>  | <ul style="list-style-type: none"> <li><i>Triangulation</i> by using a variety of methods, including</li> </ul>   | <ul style="list-style-type: none"> <li><i>Triangulation</i> - Various perspectives were included in analysing the data</li> </ul>   |

|                          | <p>quantitative research). Qualitative researchers are aware of the lack of neutrality in research and accept that multiple realities, including their own predispositions, can play a role. They therefore focus on the confirmability of the data, rather than on the neutrality of the researcher or the methods.</p> | <p>multiple perspectives, collecting data from a variety of sources and using multiple theories and perspectives to interpret data.</p> <ul style="list-style-type: none"> <li>• <i>Practise reflexivity</i> by revealing the researcher's epistemological assumptions that led to the formulation of questions in a certain manner.</li> <li>• <i>Arrange for a confirmability audit</i> - a process which enables the dependability audit whereby it is verified that the data actually exists and that the interpretations are aligned with the available data.</li> </ul> | <p>and the variety of theories studied and documented in the forgoing chapters were used to interpret the data. Source triangulation was done by examining the consistency of the different data sources and analyst triangulation was done by using a topic and research specialist to review the data. The purpose of triangulation was not to demonstrate that different data sources produced the same results, but rather to explain any existing inconsistencies.</p> <ul style="list-style-type: none"> <li>• <i>Reflexivity</i> – the researcher's epistemological assumptions have been made clear during the entire study, resulting in adopting a metamodern worldview and deciding on a qualitative research paradigm.</li> <li>• <i>Arrange for a confirmability process</i> – a research specialist confirmed the existence of data and the alignment between the existing data and the interpretations.</li> </ul> |
|--------------------------|--|---|---|
| VERIFICATION STRATEGIES  |  |   |   |
| Strategy                 | Description  | Methods to achieve strategy   | Steps taken by researcher   |
| Methodological coherence | <ul style="list-style-type: none"> <li>• This ensures a likeness between the research questions and the components of the method.</li> </ul>   | <ul style="list-style-type: none"> <li>• Qualitative research is interdependent in nature and therefore requires that the research questions, the</li> </ul>  | <ul style="list-style-type: none"> <li>• Care was taken to align and document all aspects of the study continuously to illustrate the interdependence of the relevant</li> </ul>  |



|  |   |  |  |
|--|---|--|--|
|  |   | research method, the data and data analysis are interdependent and should match each other.  | theories, chosen research methodology, research questions and data analysis and interpretation.  |
| Appropriate sample                         | <ul style="list-style-type: none"> <li>Participants must have some knowledge of the phenomena under investigation.</li> </ul>   | <ul style="list-style-type: none"> <li>The sample must be appropriate and adequate in order to ensure sample saturation so that sufficient data can be obtained.</li> </ul>  | <ul style="list-style-type: none"> <li>CEOs and managers of South African NPOs were identified as appropriate participants, since they may not have formal knowledge of the stakeholder relationship management concept, but are all involved in NPO stakeholder relationship activities on a daily basis.</li> </ul>                      |
| Collecting and analysing data concurrently | <ul style="list-style-type: none"> <li>The natural interaction between what is known and what needs to be known is enforced by collecting and analysing data concurrently.</li> </ul> | <ul style="list-style-type: none"> <li>The pacing and repetitive interaction between data collection and data analysis ensure the achieving of reliability and validity.</li> </ul>  | <ul style="list-style-type: none"> <li>Member checking was used to interpret data while collecting it. All interview recordings were listened to on the day of the interview and transcribed and analysed as soon as possible thereafter to ensure that data collection and data analysis occurred as concurrently as possible.</li> </ul> |
| Thinking theoretically                     | <ul style="list-style-type: none"> <li>New data produces new ideas, which must be verified against the ideas that emerged from data already collected.</li> </ul>                     | <ul style="list-style-type: none"> <li>No intellectual leaps should be made and micro-perspectives are required whereby the researcher moves forward slowly, checking and rechecking data in order to build a solid foundation.</li> </ul> | <ul style="list-style-type: none"> <li>Care was taken to work precisely and slowly and to continuously document and check insights, ideas and concepts emerging from new data against data already gathered.</li> </ul>  |

|                    |  |   |  |
|--------------------|--|---|--|
| Theory development | <ul style="list-style-type: none"> <li>This implies a deliberate move between macro-conceptual theoretical understanding and a micro-perspective of the data.</li> </ul> | <ul style="list-style-type: none"> <li>Theory development should be an outcome of the research and should serve as a prototype for further theory development.</li> </ul> | <ul style="list-style-type: none"> <li>The purpose of this study was not to develop theory per se, but a model for stakeholder relationship management for NPOs which are in support of and aligned with existing theory.</li> </ul> |
|--------------------|--|---|--|

Researcher's own construct conceptualised from Guba (1981); Patton (1999); Janesick (2000); Lincoln and Guba (2000); Morse et al (2002); Creswell (2007).

#### **6.4.7 Data analysis**

Babbie (2016:382) defines qualitative data analysis as “the nonnumerical examination and interpretation of observations for the purpose of discovering underlying meanings and patterns of relationships”. Referring to Babbie’s definition, De Vos et al (2011:399), however, posit that a formal definition of qualitative data analysis is problematic and arguably impossible in this creative and fast-developing research field. The variety of descriptive terminology used by theorists to explain this step in qualitative research, confirms the argument. Qualitative research data analysis is described, amongst others, as inductive reasoning, thinking and theorising (De Vos et al 2011:399), some kind of transformation of raw data into insightful and trustworthy findings (Patton 2002:432; Gibbs 2007:1), systematically organising, examining and integrating data (Neuman 2011:507), and data reduction and interpretation (Daymon, Holloway & Holland 2002:232).

Patton (2002:432) argues that no exact formula or recipe exists for the process of qualitative data analysis, only guidance and direction. Creswell (2007:150) concurs by stating that data analysis is not an “off-the-shelf” product, but rather custom-built by the qualitative researcher. Furthermore, data analysis should not be regarded as a single step after data collection, since the analysis runs simultaneously with data collection and is therefore a continuous process (Daymon et al 2002:231). Qualitative data analysis is thus not linear, but iterative and better presented on a spiral than a straight line (Dey 1993:53).

Bearing these comments and considerations in mind, a choice was made to use a method for qualitative data analysis suggested by De Vos et al (2011:403-419). These authors combined Creswell’s (2007:150-155) data analytical spiral, the data analysis process suggested by Marshall and Rossman (1999:152-159), and data analysis insights offered by Gibbs (2007:1-89).

The rationale in choosing this method was based on De Vos et al’s (2011:403) explanation that the method, although described in a linear fashion, is in fact a circular process in which the researcher moves in analytical circles and travels forward and back between the steps. Some steps overlap or can be implemented in a different

order. Creswell (2007:150) explains his metaphor of a spiral by arguing that the steps in qualitative data analysis are not distinct, but rather integrated, following the general contours of a spiral.

The reason for selecting De Vos et al's proposed data analysis method, was the fact that it resonates with the integrated circular characteristics of the metamodern conceptual framework for stakeholder relationship management for NPOs presented in the previous chapter.

De Vos et al (2011:403-419) list eight steps in their proposed qualitative data analysis method, each of which will be described briefly, indicating how the researcher complied with them.

**6.4.7.1    *Planning for recording of data***  
***(Step one in preparing and organising the data)***

This step entails careful planning for the recording of data, as well as devising a system that will ensure the effective retrieval of data. The researcher should be familiar with the technicalities of the recording equipment and obtain permission from the participants to record the data, all of which were done in this study. An electronic filing system, which was backed-up on an external hard drive for safe-keeping, was put in place in order to ensure ease of retrieval of the data.

**6.4.7.2    *Data collection and preliminary analysis: the twofold approach***  
***(Step two in preparing and organising the data)***

De Vos et al (2011:405) posit that qualitative data analysis requires a twofold approach in which data is first analysed at the site during the fieldwork, and again afterwards away from the site or between fieldwork site visits. Patton (2002:436) agrees and argues that qualitative data analysis begins during fieldwork and that the new ideas generated during fieldwork, constitute the first stages of data analysis. In this study, the researcher remained sensitive to new ideas emerging from the face-to-face interviews and used this information to make amendments to the interview guide where necessary. Care was taken not to focus too much on analysis during the

interviews in order to avoid interference with the openness of the qualitative study (De Vos et al 2011:407) and the relevant literature and theoretical concepts were taken into consideration during interviews without allowing it to obscure other ways of looking at the data. Field notes were written after each interview, detailing what took place as well as what the researcher saw, heard, experienced and thought during the interview process.

#### **6.4.7.3    *Managing the data***

##### ***(Step three in preparing and organising the data)***

This step represents the first step in Creswell's (2007:151) data analytical spiral, as well as the first step in analysing the data away from the site. During this step the researcher ensured that all interviews were correctly labelled and electronically filed in such a manner that data could be retrieved when needed. This step also entailed transcribing the interviews, typing field notes, checking for obvious gaps in the collected data, and making back-up copies of all master documents.

#### **6.4.7.4    *Reading and writing memos***

##### ***(Step four in preparing and organising the data)***

Once the data had been organised, the researcher needed to become immersed in it by reading and re-reading it. In this study, the interview transcripts were read several times and memos in the form of ideas, concepts and short phrases were written whilst perusing the transcripts. This was done as soon as possible after each interview and continuously thereafter, until the researcher was ready to report on the findings.

#### **6.4.7.5    *Generating categories and coding the data***

##### ***(Step one in reducing the data)***

Creswell (2007:151) argues that categorising or coding (terms used interchangeably by him) represents the heart of qualitative research and it is the first step in reducing voluminous amounts of data into manageable portions (De Vos et al 2011:410). Data emerging from the face-to-face interviews was coded into categories, themes or recurring language, ideas or believe-patterns. The coding system was guided by the

categories and subcategories of the interview guide, which in turn were guided by the thematic phases of the proposed stakeholder relationship management framework for NPOs (See Addendum D for a summary of the data-coding categories and themes). Although these categories, subcategories and themes guided the coding process, care was taken to be open to other emerging and non-predetermined codes (Creswell (2007:152). Accepting that the coding process is organic, cognisance was taken of any new emerging understandings.

Some theorists (Koschmann 2008:86-87) prefer to start with numerous subcategories of codes which they then collapse into fewer broader categories and then further collapse them into a final reduced number of meta-themes. Creswell (2007:152) however, suggests an opposite approach which entails starting with coding the meta-themes, referred to him as “lean coding”, then expanding these themes into related subcategories of approximately 25 to 30 categories, regardless of the size of the database. These categories are then finally condensed to five or six themes which serve to document the findings. According to him, this approach prevents the researcher from ending up with 100 to 200 categories, making a reduction to a final limited number of categories very difficult. Creswell’s approach was followed in this study and the researcher started with a limited number of codes (influenced by the categories, subcategories and phases mentioned above), then expanded each of these codes into a family of related themes, and finally collapsed the extended number of codes into the final codes used to report on the findings.

The researcher used NVivo, a computer-assisted qualitative data analysis software (CAQDAS) programme, to code and categorise the data. NVivo is a product of QSR International, an Australian company, and is regarded as a powerful, yet user-friendly product (Hoover & Koerber 2011:70). Although CAQDAS was initially criticised by theorists as creating a barrier and placing a third party between the researcher and the data (Hoover & Koerber 2011:76; Hutchison, Johnston & Breckon 2012:285; Creswell 2016:184), it has become an acceptable tool in qualitative research during the 2010s (Bazeley & Richards 2011; Hutchison et al 2012:285; Babbie 2016:393; Creswell 2016:182). Creswell (2016:182) in fact states “I recommend that you use a QDA software programme to assist in your data analysis”. He is of the opinion that QADAS programmes may be regarded by some researchers as analysing data too

much and interfering with the creative process, but that this characteristic is viewed by many qualitative researchers as providing rigour to qualitative research. Hoover and Koerber (2011:78) confirm this by positing that making use of NVivo for one of their research projects was not only beneficial in the areas of efficiency, multiplicity and transparency, but that it added a depth and rigour to their project. Bazeley and Richards (2011) believe that the new generation qualitative software enables researchers to manage and access qualitative data, allowing them to keep a perspective on all the data without losing its richness or closeness to the data.

This computer-assisted qualitative data analysis software programme was used because of the obvious advantages such as the centralised location of data, quick and easy retrieval of material, forcing the researcher to look closely at the data, and the possibility of drawing a visual model (Creswell 2007:165). However, cognisance was taken of Lindlof and Taylor's (2011:265) advice not to allow technology to decontextualise the data and to remain "vigilant about how information technology affects our sensitivity to voice, touch, emotion, gesture and all manner of sensuous detail, as well as our sensitivity to alternative ways of thinking about communication". NVivo was therefore not used to analyse the data, but rather to code and categorise it. Whilst NVivo assisted as a tool in data analysis, it was not regarded as doing the intellectual work (Hoover & Koerber 2011:76) and the task of analysing and interpreting the data remained the responsibility of the researcher.

#### **6.4.7.6 *Testing emergent understandings and searching for alternative explanations (Step two in reducing the data)***

Testing emergent understandings and searching for alternative explanations entail evaluating the data for its usefulness in answering the questions being explored and determining how central the data is to the developing picture of the phenomenon under investigation (De Vos et al 2011:415). In this study the researcher diligently searched for alternative explanations and negative incidents or cases in order to determine how information missing from the data, could be important for analysis. Possible events the participants wished to conceal, ignored, avoided or simply did not occur, conscious or unconscious non-reporting of events by participants, as well as the effect of the researcher's own preconceived notions in analysing and interpreting the data (De Vos

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et al 2011:416) were taken into account. During this stage the researcher checked the alignment of emerging understandings with the theory and used these insights to determine if the proposed conceptual framework for stakeholder relationship management for NPOs could be accepted and where changes or amendments to the phases were needed.

**6.4.7.7    *Interpreting and developing typologies***  
***(Step three in reducing the data)***

Interpretation involves “making sense” of the data and understanding what is going on at the research sites as far as the phenomena under investigation are concerned (Creswell 2007:154). It implies attaching meaning and insight to the actions and words of research participants (Daymon et al 2002:232). Interpretations can be based on the researcher’s hunch, intuition and insight, can be done within a social construct, or as a combination of contrasting personal ideas with a social construct. Within the interpretive paradigm supported by this study, interpretations were questioned and are regarded as tentative and inclusive (Creswell 2007:154).

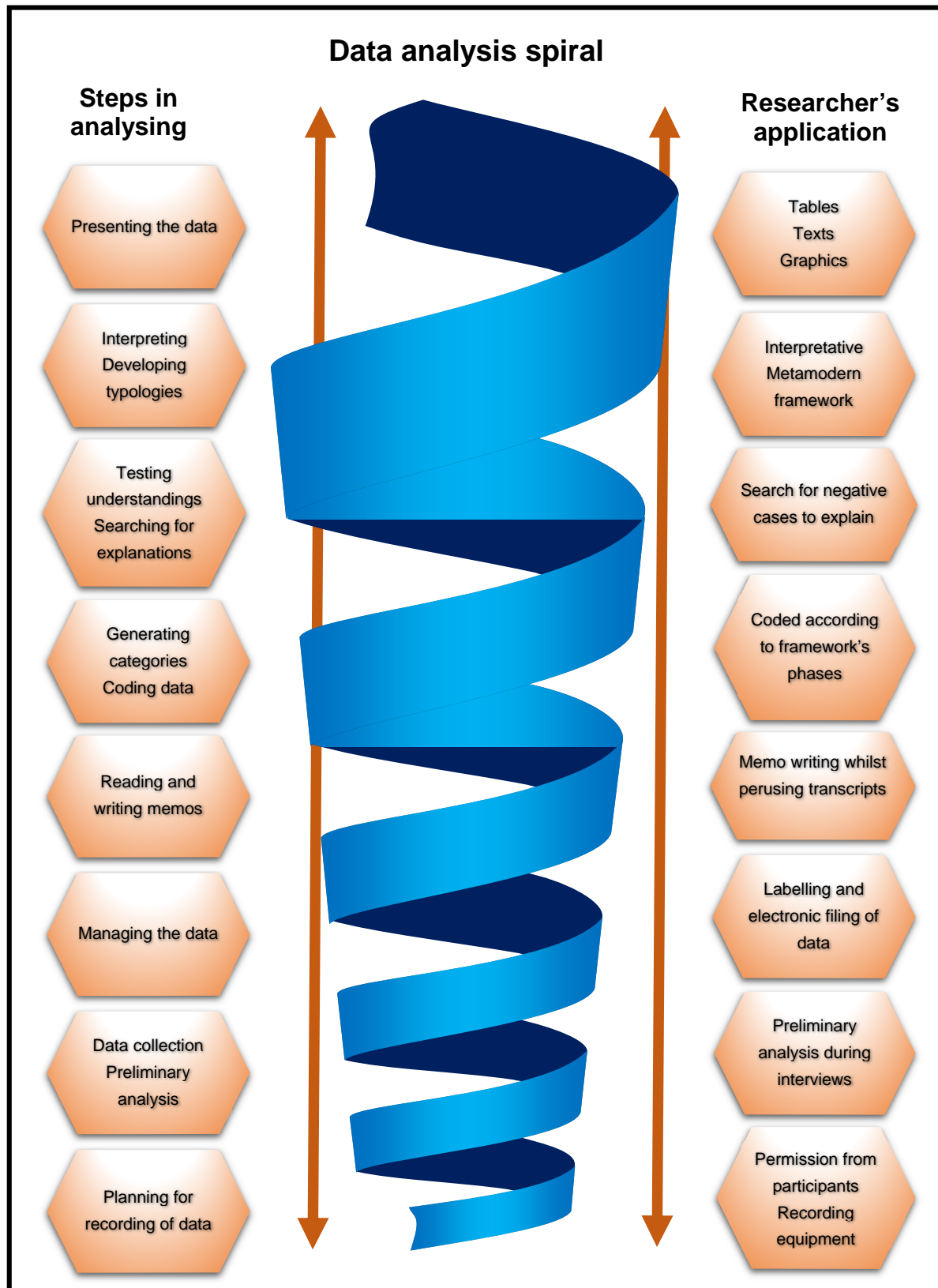
Interpretation was done from a postmodern perspective, accepting that the findings are context-bound, that there is not one single truth out there regarding the concept of stakeholder relationship management in the NPO sector, and that the findings are tentative. However, in line with the metamodern worldview of this study, a structured, modernistic typology was created for categorising the findings. De Vos et al (2011:4160) define a typology as a “conceptual framework in which phenomena are classified in terms of the characteristics that they have in common with other phenomena”. This process started in the previous chapter where a conceptual framework for stakeholder relationship management for NPOs was constructed by comparing the commonalities of phenomena described in the literature, and was continued by comparing the phenomena found in the research data with the phenomena presented in the framework. This process ultimately guided the final amendments and changes made to the conceptual framework in order to progress it from a framework to a model as illustrated in the next chapter.



**6.4.7.8 Presenting the data*****(Step one in visualising, presenting and displaying the data)***

Although this step signals the final step in the data analysis spiral, it is in fact a continuation of the interpretation step, since reporting on and writing about the findings, cannot be separated from the analytical process (De Vos 2011:419; Daymon et al 2002:246). Data can be presented in various forms such as text, Tables or Figures (Creswell 2007:154) and the researcher chose a combination of all three forms to present the findings of the study. Text was used in tabular format to report on the findings and to illustrate the relation thereof to the theory offered in the previous chapters. This information was then transferred to the graphic presentation of the phases of the final model for stakeholder relationship management for NPOs.

Figure 6.2 depicts a combination of De Vos et al's eight-step data analysis method with Creswell's data analysis spiral, and illustrates how these steps were applied by the researcher. The arrows imply free movement between the steps, suggesting that the steps are not linear, but move up and down the spiral.



**Figure 6.2: Combining De Vos et al's data analysis method with Creswell's data analysis spiral**

Source: Researcher's own construct conceptualised from De Vos et al (2011:403-419); Creswell (2007:150-155).

The eight steps proposed in De Vos et al's data analysis method as discussed above, were used as direction and guidelines, but the researcher's intellect, intuition and interpretations served to custom build the final product in an ethical manner as illustrated next.

### **6.5 ETHICAL CONSIDERATIONS**

De Vos et al (2011:113) state that ethical research implies accepting the recognised agreements and expectations between the involved parties and ensuring that the research is based on mutual trust and cooperation. Babbie (2016:62) explains that ethics are concerned with the moral issue of what is right or wrong, but that individuals may have varying beliefs about what is acceptable or not. This necessitates that researchers should know what the social research community regards as ethical or unethical research behaviour.

Every consulted resource on research contains substantial text on ethics in social research, and it is clear that this topic entails more than the obvious aspects of plagiarism, confidentiality and research participants' privacy and anonymity.

According to Christians (2000:138-140), the guidelines pertaining to social research ethics found in most codes of ethics, address the aspects of informed consent, deception, privacy, confidentiality and accuracy. Babbie (2016:62-70) expands this and says no harm should be done to participants and analysis and reporting should be ethical. Patton (2002:412-416) questions the ethical considerations of whether interview participants should be remunerated and how hard interviewers should push for sensitive information. Daymon and Holloway (2002:72-87) take the discussion on ethical social research even further by addressing ethical issues such as recruiting research participants, gaining access to research sites, honesty relating to omission and interpretation, covert research methods and ownerships of research.

In this study, meticulous care was taken to comply with the social research standards expected by the research community. Plagiarism was avoided through careful paraphrasing, referencing all relevant sources and by submitting each chapter to Turnitin to ensure the minimum similarity to other academic sources. A written contract

between the researcher and interview participants was not deemed necessary, but all participants were fully informed of the purpose of the research and how the data would be used during and after the research project. Participants gave consent to be interviewed, as well as to the responsible usage of the data. They were assured of confidentiality in the sense that sensitive or strategic organisational information would not be divulged in such a manner that it could harm the organisation or benefit opposition organisations. The names of the organisations in the realised sample were mentioned, but individuals were assured of anonymity and that no direct link between the data reporting and organisations would be possible. Interview participants were not deceived about any aspect of the research project, they were not harmed in any way, and no undue pressure was put on them to divulge sensitive information. On request, participants were debriefed by sharing and discussing the findings with them and the entire research project was done in an overt and unconcealed manner.

Finally, the researcher acknowledges her role as an instrument in the research process (Creswell 2016:9) and the fact that true objectivity is not possible in qualitative research (Leedy & Ormrod 2015:319). A concerted effort was therefore made to strive for balance and completeness in analysing and interpreting the data, to carefully document these procedures, and to report the findings in an ethical manner by illustrating clearly how it was obtained and what the challenges were.

### **6.6 CONCLUSION**

This chapter contextualised the research design and methodology used to explore the feasibility of the proposed conceptual framework for stakeholder relationship management for NPOs in order to evolve it into a practical and workable model.

It was illustrated that a qualitative, exploratory and interpretative research design was deemed the most appropriate for this study and that the research was regarded as both basic and applied. A naturalistic approach was followed in line with the metamodern worldview of the study, whereby it was concluded that from a postmodern perspective, several realities may exist as far as NPO stakeholder relationship management practices are concerned, but that the research should nevertheless be done in a structured, modernistic manner. It was also illustrated that several aspects

of qualitative and quantitative research overlap confirming the metamodern worldview of this study in which it is believed that it is not necessary to kill one paradigm in favour of another.

The discussion on the research methodology highlighted the unit of analysis, the population and target population and explained the choice of non-probability homogenous sampling. The sampling method was convenient sampling to some extent, since it depended on the willingness of the participants to partake and the proximity of the research sites.

Data collection was done through face-to-face semi-structured interviews with CEOs and senior management in Gauteng-based registered South African NPOs, and the categories in the interview guide were guided by the phases of the proposed conceptual framework for stakeholder relationship management for NPOs presented in the previous chapter. It was illustrated how the pilot testing of the interview guide resulted in amendments to the interview guide.

Continuing the metamodern worldview of the study, it was concluded that not only trustworthiness, but also the validity and reliability of the data should be tested. It was clarified how Lincoln and Guba's (2000) criteria for trustworthiness, as well as Morse et al's (2002) verification strategies for reliability and validity were employed to achieve this. In analysing the data, the researcher made use of De Vos et al's (2011) eight-step data analysis method, which is a combination of Creswell's (2007) data analysis spiral and Marshall and Rossman's (1999) data analysis process. It was concluded that this data analysis method resonates with the integrated circular characteristics of the metamodern conceptual framework for stakeholder relationship management for NPOs presented in the previous chapter and therefore deemed appropriate.

Finally, relevant ethical issues were discussed, illustrating that not only the obvious ethical aspects of plagiarism, confidentiality and anonymity were considered, but that the researcher carefully complied with all ethical criteria relevant to social research.

The next chapter reports on and interprets the findings of the semi-structured face-to-face interviews and illustrates how these findings impacted on the proposed

conceptual metamodern framework for stakeholder relationship management for NPOs, advancing it into a workable model.

**CHAPTER  
7**

**INTERPRETATION OF THE FINDINGS AND THE  
IMPLICATIONS FOR THE CONCEPTUAL FRAMEWORK**

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*As a non-profit company, we cannot survive without our stakeholder  
relationships.*

(Interview participant 2017)

## **7.1 INTRODUCTION**

The intention of this chapter is to develop the conceptual framework for stakeholder relationship management for NPOs proposed in Chapter 5 into a practical and workable model for the South African NPO sector. This will be done by moving beyond theory and by integrating and utilising the insights gained during the face-to-face semi-structured interviews with CEOs and senior managers of South African NPOs.

Since it was found that the core concepts of the conceptual framework are too integrated to separate them from each another, reporting on the findings will be done by addressing each of the coding themes individually instead of chronologically according to the stages of the conceptual framework. This method resonates with the integrated circular character of the conceptual framework. The theories underpinning this study as well as its metamodern worldview will be revisited and their relevance to the findings illustrated. Thereafter, the implications of the findings will be discussed and applied to each of the four stages of the conceptual framework whilst simultaneously revisiting the research questions, assumptions and propositions that guided the design of the conceptual framework, indicating whether the research questions were answered, if the assumptions were correct, and whether the propositions should be accepted or rejected. Finally the proposed conceptual framework will be developed into a metamodern model for stakeholder relationship management for South African NPOs.

This chapter represents the first chapter in the third phase of the study (as indicated in Figure 1.1 in Chapter 1) and the structure of this chapter is illustrated in Table 7.1

**Table 7.1: The structure of Chapter 7**

| <b>TOPIC</b>   | <b>DISCUSSION</b>   |
|--|---|
| Reporting methodology  | <ul style="list-style-type: none"> <li>Explaining which method and process were followed to report and interpret the findings.</li> </ul>   |
| Providing biographical and organisational information  | <ul style="list-style-type: none"> <li>Illustrating that the interview participants and organisations from the realised sample, are representative of a variety of biographical and organisational classifications.</li> </ul>  |
| Reporting and interpreting the findings  | <ul style="list-style-type: none"> <li>Summarising the responses and interpreting the data according to the coding themes.</li> </ul>   |
| Highlighting theoretical inferences in the data  | <ul style="list-style-type: none"> <li>Highlighting the theories that support this study as contextualised in the forgoing chapters and indicating how, if at all, they emerge from or are implied by the data.</li> </ul>  |
| Revisiting the metamodern worldview of the study   | <ul style="list-style-type: none"> <li>Revisiting the metamodern worldview of this study as contextualised in the forgoing chapters and indicating how, if at all, it is implied by the data and therefore relevant to the South African NPO sector.</li> </ul>   |
| Implications of the findings for the conceptual framework  | <ul style="list-style-type: none"> <li>Illustrating what the implications of the findings for all four stages of the conceptual framework are, indicating whether the research questions, assumptions and propositions were adequately addressed, and making the amendments to each stage where necessary.</li> </ul> |
| From a conceptual framework to a final metamodern model for stakeholder relationship management for NPOs | <ul style="list-style-type: none"> <li>Presenting the final metamodern model for stakeholder relationship management for the South African NPO sector.</li> </ul>   |

## **7.2 REPORTING METHODOLOGY**

It was intended to report the findings resulting from the face-to-face semi-structured interviews in a structured, modernistic fashion, and to structure the documentation thereof chronologically according to the four stages of the proposed conceptual framework. However, after careful analysis of the data, it was concluded that the core



concepts of the conceptual framework namely: stakeholder relationship management as a management function, identification of strategic stakeholders, relationship management and communication, relational antecedents and outcomes, and a metamodern worldview, overlap and are integrated into each stage of the conceptual framework. Reporting per stage would thus have resulted in unnecessary repetition of findings pertaining to the abovementioned core concepts. Although this postmodern trait of total integration and the overlapping of concepts initially provided some challenges in deciding on an organised reporting structure, it was nonetheless encouraging to realise that this insight supports the organic, integrated, circular nature of the proposed conceptual framework.

Supporting the metamodern worldview of this study, it was thus decided to first document all the findings pertaining to the first five coding themes in a structured manner by presenting them per theme. The sixth (relevance to theory) and seventh (relevance to a metamodern worldview) coding themes cut across the first five coding themes and will therefore be discussed separately, illustrating if they are relevant to or implied by the data. Thereafter the less structured, postmodern, integrated implications of these findings for each of the four stages of the conceptual framework will be illustrated per stage to make amendments where necessary. Lastly, a final metamodern model for stakeholder relationship management for South African NPOs will be presented.

In order to reach the seven coding themes, Creswell's (2007:152) suggestion for coding was followed. Coding the data was done by starting with metathemes, which were then expanded into 27 subcategories (Creswell suggests between 20 and 30 subcategories). These subcategories were then finally reduced to seven coding themes (Creswell suggests five to six coding themes). For ease of reference, all meta-themes and subcategories were colour coded in the same colour as the coding theme into which they were condensed (refer to Addendum D for detail regarding the meta-themes, subcategories, coding themes and the colour coding thereof).

Table 7.2 contextualises the relevance of each of the coding themes to the various stages of the conceptual framework, as well as the relevance of the research questions, assumptions and propositions to each of these themes. Perusing this

table, it is evident that the coding themes are integral to virtually all the stages, research questions, assumptions and propositions, justifying the chosen reporting methodology as discussed.

Table 7.2: Coding themes and their relevance to the conceptual framework stages, research questions (RQ), assumptions and propositions

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES)   | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS   | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS  |
|--|--|--|---|---|
| <b>Theme one</b><br>Knowledge and training<br>pertaining to<br>stakeholder relationship<br>management. | Stages one,<br>two, three and<br>four.                             | <p><b>RQ1:</b> How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?</p> <p><b>RQ5:</b> Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?</p> | <p><b>Assumption one:</b> NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.</p> <p><b>Assumption three:</b> NPOs define stakeholders broadly and not strategically, resulting in a reactive stakeholder relationship management, since those stakeholders who are the most vocal, receive the most attention.</p> | <p><b>Proposition 1:</b> Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.</p> <p><b>Proposition 2:</b> Effective stakeholder relationship management strategies are aligned with organisational business strategies, and focus on strategic stakeholders, based on current and strategic organisational issues.</p> |

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES)                                     | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS   | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS   |
|--|--|--|---|--|
|  |  |  |   | <b>Proposition 3:</b> All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.   |
| <b>Theme two</b><br>Management's role and philosophy towards stakeholder relationship management . | Stages one and four.   | <b>RQ1:</b> How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?<br><br><b>RQ5:</b> Will the proposed metamodern framework for NPO stakeholder | <b>Assumption one:</b> NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.<br><br><b>Assumption two:</b> NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do | <b>Proposition 1:</b> Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.<br><br><b>Proposition 2:</b> Effective stakeholder relationship |

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES)                      | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS  | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS  |
|---|--|---|---|---|
|   |  | relationship management<br>be usable in practice?   | not link strategic<br>stakeholders to specific,<br>prioritised, strategic<br>organisational issues.                                       | management strategies<br>are aligned with<br>organisational business<br>strategies, and focus on<br>strategic stakeholders<br>based on current and<br>strategic organisational<br>issues.<br><br><b>Proposition 3:</b> All<br>stakeholders deserve<br>equal attention, but not to<br>the same extent at any<br>given time. Linking<br>stakeholders to current<br>strategic issues will assist<br>NPO managers to<br>determine which<br>stakeholders are strategic<br>at any given time. |
| <b>Theme three</b><br>Stakeholder<br>identification and<br>relationship attributes. | Stages one,<br>two and three.                                      | <b>RQ1:</b> How much<br>knowledge do managers<br>in the South African NPO<br>sector have of<br>stakeholder relationship | <b>Assumption one:</b> NPO<br>managers accept the value<br>of strategic stakeholder<br>relationship management,<br>but lack the necessary | <b>Proposition 1:</b> Managers<br>in organisations with<br>effective stakeholder<br>relationship management<br>capabilities, are trained  |

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES) | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS  | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS  |
|--|--|---|---|---|
|  |  | <p>management as a scientific communication practice and a governing principle?</p> <p><b>RQ2:</b> Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?</p> <p><b>RQ3:</b> How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?</p> <p><b>RQ5:</b> Will the proposed metamodern framework for NPO stakeholder</p> | <p>training and skills to implement it.</p> <p><b>Assumption two:</b> NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do not link strategic stakeholders to specific, prioritised, strategic organisational issues.</p> <p><b>Assumption three:</b> NPOs define stakeholders broadly and not strategically, resulting in reactive stakeholder relationship management, since those stakeholders who are the most vocal, receive the most attention.</p> | <p>and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.</p> <p><b>Proposition 2:</b> Effective stakeholder relationship management strategies are aligned with organisational business strategies, and focus on strategic stakeholders based on current and strategic organisational issues.</p> <p><b>Proposition 3:</b> All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to</p> |

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES)                        | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS   | RELEVANT<br>ASSUMPTIONS  | RELEVANT<br>PROPOSITIONS   |
|---|--|--|--|--|
|   |  | relationship management<br>be usable in practice?  |  | determine which<br>stakeholders are strategic<br>at any given time.  |
| <b>Theme four</b><br>Business strategy and<br>stakeholder relationship<br>management. | Stages two and<br>three.   | <p><b>RQ2:</b> Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?</p> <p><b>RQ3:</b> How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?</p> <p><b>RQ5:</b> Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?</p> | <p><b>Assumption one:</b> NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.</p> <p><b>Assumption two:</b> NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do not link strategic stakeholders to specific, prioritised, strategic organisational issues.</p> <p><b>Assumption three:</b> NPOs define stakeholders broadly and not</p> | <p><b>Proposition 1:</b> Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.</p> <p><b>Proposition 2:</b> Effective stakeholder relationship management strategies are aligned with organisational business strategies, and focus on strategic stakeholders based on current and strategic organisational issues.</p> |

| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES)              | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS   | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS   |
|---|--|--|---|--|
|   |  |  | strategically, resulting in reactive stakeholder relationship management, since those stakeholders who are the most vocal, receive the most attention.  | <b>Proposition 3:</b> All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.   |
| <b>Theme five</b><br>Communication and stakeholder relationship management. | Stages one, three and four.  | <b>RQ1:</b> How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?<br><br><b>RQ4:</b> Are the communication strategies of the South African NPO sector linked to their | <b>Assumption one:</b> NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.<br><br><b>Assumption three:</b> NPOs define stakeholders broadly and not strategically, resulting in reactive stakeholder relationship management, | <b>Proposition 1:</b> Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.<br><br><b>Proposition 2:</b> Effective stakeholder relationship |



| CODING THEMES<br>(WITH COLOUR<br>RELEVANT TO<br>SUBCATEGORIES) | RELEVANCE<br>TO THE<br>STAGES OF<br>THE<br>CONCEPTUAL<br>FRAMEWORK | RELEVANT RESEARCH<br>QUESTIONS  | RELEVANT<br>ASSUMPTIONS   | RELEVANT<br>PROPOSITIONS  |
|--|--|---|---|---|
|  |  | <p>stakeholder relationship management strategies?</p> <p><b>RQ5:</b> Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?</p> | <p>since those stakeholders who are the most vocal, receive the most attention.</p> <p><b>Assumption four:</b> NPOs mostly lack formalised communication strategies and communicate on an ad hoc basis with stakeholders.</p> | <p>management strategies are aligned with organisational business strategies, and focus on strategic stakeholders based on current and strategic organisational issues.</p> <p><b>Proposition 4:</b> The successful implementation of communication strategies is key to effective stakeholder relationship management.</p> |
| <b>Theme six</b><br>Relevance to theory.                       | Stages one, two, three and four.                                   | <b>RQ1, RQ2, RQ3, RQ4 and RQ5.</b>  | <b>Assumption one, two, three and four.</b>   | <b>Propositions 1, 2, 3 and 4.</b>  |
| <b>Theme seven</b><br>Relevance to metamodern worldview.       | Stages one, two, three and four.                                   | <b>RQ1, RQ2, RQ3, RQ4 and RQ5.</b>  | <b>Assumption one, two, three and four.</b>   | <b>Propositions 1, 2, 3 and 4.</b>  |

Although the meta-themes, subcategories and resulting themes documented in Addendum D guided the coding process, care was taken to be open to other emerging and non-predetermined codes (Creswell 2007:152). Accepting that the coding process is organic, cognisance was taken of any new emerging understandings. The reporting and interpretation of the findings will be done by making use of a combination of text, tables and figures (Creswell 2007:154). Biographical profiles and organisational information are presented next.

### **7.3 BIOGRAPHICAL PROFILES AND ORGANISATIONAL INFORMATION**

Complying with the sampling strategy as discussed in Chapter 6, Gauteng-based registered NPOs were purposefully selected, ensuring that they were representative of small, medium and large NPOs operating in a variety of sectors. Interview participants consisted of CEOs and senior management representing a diversity of gender and years of service. The biographical data pertaining to the interview participants, as well as their organisational information is summarised in Tables 7.3 and 7.4. From this it is clear that the realised sample consisted of participants in senior management who have served in the respective organisations anything from less than five years to more than 20 years. The organisations in the realised sample operate in a variety of social welfare sectors and have been operational from as little as less than five years to as long as more than 20 years. Although *small*, *medium* and *large* are not formal terms used to describe the size of NPOs, participants were nevertheless asked to classify the size of their organisations compared to other NPOs, and this varied from small to large. Small NPOs consists of less than 10 employees, medium NPOs employ between 10 and 20 people and large NPOs employ more than 20 people. The detail of these classifications is represented in Tables 7.3 and 7.4.

**Table 7.3 Interviewee classification sheet**

| INTERVIEWEE    | DESIGNATION                                       | GENDER | YEARS OF SERVICE        |
|----------------|---|--------|-------------------------|
| Participant 1  | Chief empowerment officer                         | Female | Between 5 and 10 years  |
| Participant 2  | CEO, founder                                      | Female | Between 5 and 10 years  |
| Participant 3  | Client relationship manager                       | Female | Between 5 and 10 years  |
| Participant 4  | CEO   | Male   | Less than 5 years       |
| Participant 5  | CEO   | Male   | Between 10 and 15 years |
| Participant 6  | CEO   | Male   | Less than 5 years       |
| Participant 7  | Public relations and resource development manager | Female | More than 20 years      |
| Participant 8  | Director, founder, board member                   | Female | Less than 5 years       |
| Participant 9  | CEO   | Male   | Between 15 and 20 years |
| Participant 10 | CEO, founder                                      | Female | Between 10 and 15 years |
| Participant 11 | Board member                                      | Female | Between 5 and 10 years  |
| Participant 12 | Executive director                                | Female | Between 5 and 10 years  |
| Participant 13 | Managing director, founder                        | Female | Between 5 and 10 years  |
| Participant 14 | Programme manager                                 | Female | Less than 5 years       |
| Participant 15 | Communication manager                             | Female | Between 5 and 10 years  |
| Participant 16 | Managing director, founder                        | Male   | Between 5 and 10 years  |

**Legend**

CEO = Chief executive officer

Table 7.4: Organisation classification sheet

| ORGANISATION    | AREA OF OPERATION | REGISTERED AS | SECTOR                                  | SIZE   | YEARS IN EXISTENCE      |
|-----------------|-------------------|---------------|---|--------|-------------------------|
| Organisation 1  | Locally           | NPO, NPC, PBO | Social services                         | Small  | Between 5 and 10 years  |
| Organisation 2  | Nationally        | NPO, PBO      | Education                               | Large  | More than 20 years      |
| Organisation 3  | Locally           | NPC           | Housing and development                 | Medium | Between 10 and 15 years |
| Organisation 4  | Nationally        | NPO, NPC, PBO | Social services                         | Medium | More than 20 years      |
| Organisation 5  | Nationally        | NPO, NPC      | Health services                         | Small  | Less than 5 years       |
| Organisation 6  | Nationally        | NPC           | Education and cultural<br>Entertainment | Large  | More than 20 years      |
| Organisation 7  | Nationally        | NPO, NPC, PBO | Social services                         | Small  | Between 10 and 15 years |
| Organisation 8  | Locally           | NPO, NPC, PBO | Social services                         | Small  | Between 15 and 20 years |
| Organisation 9  | Nationally        | NPC           | Road safety                             | Small  | Between 5 and 10 years  |
| Organisation 10 | Nationally        | NPO, Trust    | Education                               | Medium | More than 20 years      |
| Organisation 11 | Nationally        | NPC           | Education                               | Medium | Between 5 and 10 years  |

**LEGEND****NPO** = Non-profit organisation**NPC** =Non-profit company**PBO** = Public-benefit organisation**NOTE**

Four organisations are registered as NPOs, NPCs and PBOs, four companies are registered as NPCs, one organisation is registered as an NPO and NPC, one organisation is registered as an NPO and a PBO and one organisation is registered as an NPO and Trust.

## 7.4 REPORTING AND INTERPRETING THE FINDINGS

Reporting the findings relevant to each coding theme will follow a consistent pattern namely: a) an explanation of the coding subcategories contained in it; b) an overview of the responses by addressing each coding subcategory separately; and c) an interpretation of the findings.

### 7.4.1 Findings pertaining to coding theme one: Knowledge and training pertaining to stakeholder relationship management

The first coding theme consists of a number of coding subcategories which are explicated in Table 7.5.

**Table 7.5: Subcategories within coding theme one**

| SUBCATEGORY  | DESCRIPTION   |
|--|---|
| Awareness of the King IV Report on Corporate Governance and its stakeholder relationship management principles | <ul style="list-style-type: none"> <li>Exploring NPO management's attitude about and awareness of the King IV Report on Corporate Governance and specifically of the stakeholder relationship management governing principles contained in it.</li> </ul>     |
| Training on stakeholder relationship management  | <ul style="list-style-type: none"> <li>Determining if there is comprehensive, some or no training in the organisation on the concept of stakeholder relationship management.</li> </ul>   |
| Knowledge of stakeholder relationship management   | <ul style="list-style-type: none"> <li>Discovering if there is ample, limited or no knowledge amongst management in the organisation of the scientific discipline of stakeholder relationship management.</li> </ul>  |
| Distinguishing between stakeholders and strategic stakeholders   | <ul style="list-style-type: none"> <li>Establishing how NPO management distinguishes between a stakeholder and a strategic stakeholder, if at all.</li> </ul>   |
| Communicate about stakeholder relationship management  | <ul style="list-style-type: none"> <li>Establishing how often NPO management deliberately communicates about the principles of stakeholder relationship management and about building relationships with their internal and external stakeholders.</li> </ul> |

#### **7.4.1.1    *Awareness of the King Report on Corporate Governance and its stakeholder relationship management principles***

More than half of the participants were not aware of the stakeholder relationship management governing principles as they are contained in the King III or King IV Report on Corporate Governance. Those who were aware of the King Reports, admitted honestly that if the stakeholder relationship management governing principles contained in it were applied by their respective organisations, it was by default. There still seems to be a strong belief that the King Report on Corporate Governance is not applicable to the NPO sector in spite of the King III and King IV Reports containing supplements aimed specifically at the NPO sector. One participant stated that “I often feel I put them on the side because they are about the corporate world and not necessarily here”. Those who were aware of the NPO supplements, admitted that they endeavoured to apply the governing principles in terms of the organisation, rather than in terms of stakeholder relationship management. Some comments were encouraging though. One participant indicated that their skills training development manager suggested that the management team should be “trained up and implement the King IV principles”. The same participant suggested that buy-in from the board into stakeholder relationship management as a governing principle and using the King report, would “lift it out of marketing so that marketing becomes part of stakeholder management and stakeholder management does not become part of marketing as it generally is”.

#### **7.4.1.2    *Training on stakeholder relationship management and knowledge of stakeholder relationship management***

The results indicated that management training on the concept of stakeholder relationship management is virtually non-existent. For example, only one organisation embarked on formal stakeholder relationship management training which was done as a component of their change management programme as recently as six months prior to the interview with the participant. Another participant did a “few short courses” in stakeholder relationship management to assist her in her client relationship management (CRM) portfolio. One individual mentioned that he did a study on

stakeholder mapping for his MBA studies, but that his organisation does not have an official training policy on stakeholder relationship management.

Knowledge about stakeholder relationship management was found to be limited amongst NPO management and most participants agreed that stakeholder relationship management was either done on an ad hoc basis, or incorporated into other initiatives such as a customer relations management (CRM) programme or a change management programme. Most participants, however, believed that management is experienced in building relationships and that they take ownership of it. Based on the fact that most of management consists of individuals with degrees, one participant stated that there is the assumption that a level of communication ability and managerial proficiency exist. Another participant was concerned about the lack of knowledge on stakeholder relationship management in his organisation and mentioned that employees do not understand the impact when “something stupid happens”. This concern was echoed by someone who said it was worrying to her that not everybody in the organisation understood the importance of managing relationships. A participant responsible for the communication function in the organisation, admitted that they have not had a focussed approach concerning building relationships with stakeholders.

#### **7.4.1.3 Distinguishing between stakeholders and strategic stakeholders**

The lack of formal stakeholder relationship management training is reflected in the struggle of most participants to distinguish between a stakeholder and a strategic stakeholder. At least half of the participants used words or phrases like *I haven't really thought about it, perhaps, I think, I suppose, I have no idea, I would say, I am struggling*, indicating their uncertainty in answering the question. After some probing, a variety of explanations were given and strategic stakeholders were described as stakeholders who are influential, ambassadors for the organisation, endorsers of the work the organisation does, those who engage more, who are closely related to the goal of the organisation, major donors, powerful to make a difference and “if there is an extra zero at the back”, with reference to funding. One participant made a surprising comment when she said that the word “stakeholder” has been made cheap and that it

is often used to make them (the organisation) feel important in order to manipulate them.

#### **7.4.1.4     *Communicating about stakeholder relationship management***

Senior management seemed perplexed by the question on how much of their time is spent on communicating about stakeholder relationship management with their employees. Only two participants were comfortable that they spend ample time on it and that the topic appeared regularly on the agenda when addressing employees. The rest admitted that they do not know, that little attention is paid to the topic, that it happens ad hoc, that they are “weak on it” or that the topic is not addressed by name, but is implicit in conversations with employees. There also seems to be the impression that active networking implies a conversation about stakeholder relationships. The comment “there is not much time to communicate” was made twice, suggesting that stakeholder relationship management is regarded as something separate and extra to everyday business activities. One participant admitted that “ideally it should be a lot” and expressed her discomfort about the fact that they “sort of stumble onto it [the topic of stakeholder relationship management]”.

In interpreting the given responses, it appears that senior NPO management is serious about governance, but seemingly does not regard stakeholder relationship management as a governing principle. It can be deduced that the King III and King IV Reports on Governance have not found their voice in the NPO sector, despite the efforts of the King committee to provide supplements aimed at this sector. Most of the participants who are aware of the King Reports on Corporate Governance, have not actively implemented the governing principles in it, and none has implemented its stakeholder relationship management governing principles. Although it does not fall within the scope of this study and therefore no questions were asked concerning the governing and ethical codes specifically written for the NPO sector, it is arguably nonetheless significant that not a single participant made reference to these codes.

The results indicated that formal training pertaining to stakeholder relationship management, as a scientific discipline, is virtually non-existent and if it is done, it is seen as a subset of another discipline such as change management or client



relationship management, both of which focus exclusively on external stakeholders in the case of the realised samples. It is also clear that management spends very little time on consciously communicating with their employees about stakeholder relationship management, which confirms the lack of formal training and nurturing pertaining to the topic.

Chapter 1 indicated that Freeman's (2010:25) definitions of a strategic stakeholder as those that "can affect, or are affected by the accomplishment of the organisation's purpose" and as "any identifiable group or individual on which the organisation is dependent for its continued survival" (Freeman & Reed 1983:91), will be used in the study. It was further argued that for the purpose of this study, a *strategic* stakeholder is regarded as a stakeholder without whose support an organisation may cease to exist, provided that the stakeholder holds the characteristics of power, legitimacy and urgency as defined by Mitchell et al's (1997) theory of stakeholder identification and salience. None of the participants' definition of a strategic stakeholder echoed the definitions above, but the use of various terminologies such as ambassadors, influential, power and endorsers resonates with Mitchell et al's theory of stakeholder identification and salience. The relevance of this theory is discussed in more detail in section 7.5. It should be pointed out that the focus of the participants was almost exclusively on external stakeholders, thus excluding internal stakeholders as having any salience. Mindful that these findings cannot be generalised to the entire population because of the relatively small sample size, it is nonetheless argued that they are probably accurate for most of the NPO sector in South Africa.

#### **7.4.2 Findings pertaining to coding theme two: Management's role in and philosophy towards stakeholder relationship management**

The subcategories indicated in Table 7.6 have been condensed into the second coding theme.

**Table 7.6: Subcategories within coding theme two**

| SUBCATEGORY   | DESCRIPTION   |
|---|---|
| Role of relationships in organisational success                     | <ul style="list-style-type: none"> <li>Establishing if NPO management believes that relationships play a role in and contribute to organisational success.</li> </ul>   |
| Personal involvement  | <ul style="list-style-type: none"> <li>Exploring how involved management personally is in building stakeholder relationships.</li> </ul>  |
| Allocation of more resources to stakeholder relationship management | <ul style="list-style-type: none"> <li>Investigating NPO management's view about allocating more resources to the function of stakeholder relationship management, be it funds, time, training, etc.</li> </ul>   |
| Stakeholder relationship management philosophy                      | <ul style="list-style-type: none"> <li>Determining the attitude of NPO management in general towards the concept of stakeholder relationship management.</li> </ul>   |
| Attitude towards the conceptual framework                           | <ul style="list-style-type: none"> <li>Determining if management is negative, neutral or positive about a tool or model to assist NPOs with stakeholder relationship management strategies and testing if they believe the proposed conceptual stakeholder relationship management framework is practical and implementable.</li> </ul> |

#### **7.4.2.1 Role of relationships in organisational success**

Every single participant agreed that strong relationships are instrumental in achieving organisational goals and success. Participants used expressions like critical, huge, crucial, massive and extremely important to illustrate how strongly they feel about the role of relationships in organisational success. A number of them stated irrevocably that they would not have achieved what they did, had it not been for relationships. One participant said that if they do not have the “relationship right, then you’re never going to get the results”. Participants characterised “right” relationships by happiness, collaboration, mutually beneficial and buy-in. One participant summarised it well when she said “sometimes you are stronger when you are more than one” and this view was echoed by another who stated that their strength lies in the collective.

#### **7.4.2.2    *Personal involvement***

CEOs, managing directors and founders of NPOs are generally personally very involved in building relationships with their key stakeholders. Some participants believed that there is no other option, that it is their main role and that many of the more successful relationships with stakeholders exist because they are personally involved. One participant said that “I don’t know how you can survive if you don’t do it”, and another mentioned that an external stakeholder would refuse to discuss certain issues if the CEO is not present. Those who are personally less involved cited the lack of sufficient time to do so or a different focus such as building relationships with internal stakeholders, as reasons. One participant was concerned about the risk factor if a relationship relies solely on him and expressed the view that the organisation may be in trouble when he is no longer around. Another participant subconsciously echoed this view when he explained that he is trying to delegate the relationship building function more and more to the rest of senior management so that it is not exclusively his responsibility. He, for example, will take the financial manager with him when financial matters are to be discussed. Those participants who delegated some of this responsibility to the rest of the management team, admitted that they are still involved when a matter is critical.

#### **7.4.2.3    *Allocation of more resources to stakeholder relationship management***

Resources in terms of funding are at a premium in the NPO environment and virtually all the participants mentioned this as a reason for being under-resourced in the area of stakeholder relationship management. Three participants felt that they were adequately resourced, although a colleague of one of these participants did not share this view. It was insightful that most participants viewed allocating resources as appointing an additional staff member dedicated to the function of stakeholder relationship management (in spite of the fact that most of them agreed that everyone in the organisation is busy with building stakeholder relationships on some level). Only one individual said that he would not be comfortable appointing somebody to do stakeholder relationship management, because “everyone is supposed to do that,” but that he would be prepared to pay for somebody to come and evaluate what they are doing and train different groupings of employees in the concepts of stakeholder

relationship management. Only two participants referred to implementing stakeholder relationship management training as the allocation of more sources. Another participant realised that they may not need funding to increase their stakeholder relationship management capacity, and that there may be other creative methods of achieving it when she said “we cannot spend more on resources, but we are resourceful”.

#### **7.4.2.4 Stakeholder relationship management philosophy**

This coding theme endeavoured to capture participants’ comments and remarks that typify their personal stakeholder relationship management philosophies not captured in the other coding themes. A number of interesting and significant aspects surfaced. One participant believed that it may be challenging to convince the organisation that stakeholder relationship management is not a marketing tool, but actually a management tool. This was the participant who studied, by his own admittance, stakeholder mapping as part of his MBA studies. It was also the participant who would be comfortable to pay for stakeholder relationship management evaluation and training, and who believed that appointing employees with a certain level of emotional intelligence would assist in building strong relationships with stakeholders. One participant argued that allowing relationships to develop over generations was very valuable, and several alluded to the fact that building relationships required them to be physically close to and network with their stakeholders. As one participant said, “you’ve got to be present”. Although recognised by several participants, this strategy was actively practised by only one organisation which developed an immersed model of engagement in the late 2010s whereby they spent ample time with the stakeholder so that the stakeholder “feels you’re walking the journey with them”. Significantly, this is also the organisation which included stakeholder engagement as part of their change management programme which was implemented six years later. Not having perused any of these strategies, the question remains how the original immersed model of engagement and the stakeholder engagement activities within the subsequent change management strategy differ. This organisation, however, focussed on only one project and regarded one grouping of stakeholders as its main stakeholder. It is therefore posited that these strategies are mainly aimed at one, external stakeholder group. Another interesting fact is the increased use of the

terminology *client*, rather than *beneficiary*. Two participants mentioned that an NPO should be run like a business and one of these participants stated that the client always comes first in a business model and that client satisfaction relies on personal relationships. This was echoed by someone who remarked that people buy from people, not from organisations.

#### **7.4.2.5    *Attitude towards the conceptual framework***

All participants were positive about a model or a tool that could assist them in their stakeholder relationship management efforts. A limited number had qualified reservations which included that the model should be customised for their sector, that it would be valuable if aimed at senior and middle management, that it should not be merely a policy “that sits in a desk,” that training should be part and parcel of the model, and that the organisation should recognise it as a management tool and not a marketing tool. On the positive side, participants felt that a formal model would focus their stakeholder activities, energy and capacity, prevent them from getting involved in non-strategic issues, eliminate ad hoc and reactive stakeholder engagement, assist them in managing the process properly, and give form to what they were already doing. One participant said that he is excited about the research initiative and that there is definitely a space for it in the NPO sector, and another stated that “I would leap into it, I would grasp it with both hands and maybe my feet as well”. When the proposed conceptual framework was shown and explained to the participants, everyone agreed that it could potentially work in their environment. One participant confirmed the integrated approach of the conceptual framework by stating that stakeholder relationship management is not a step-by-step approach and that “one should be where one needs to be”. He also stated that he liked the fact that the conceptual framework proposes that stakeholder relationship management should be linked to specific strategic issues.

An interpretation of the findings pertaining to NPO management’s role in and personal philosophies about stakeholder relationship management, clearly indicates that there is consensus about the importance of strong relationships in achieving organisational goals and success in the NPO sector. No one contested this, and most members of senior management are personally very involved in fostering relationships with

strategic stakeholders. However, in spite of this fact, limited resources are allocated to the function of stakeholder relationship management and few formal stakeholder relationship management strategies exist. Not a single stand-alone stakeholder relationship management strategy could be found and the organisations that attempted to manage their stakeholders strategically, regarded these strategies as a component of another theme such as change management, resource development or customer relationship management (CRM). Building relationships with stakeholders is therefore mostly done intuitively and on an ad hoc and reactive basis. It is posited that senior management's discomfort with this haphazard approach is instrumental in their being receptive to and positive about a formal model that could assist the NPO sector in managing their stakeholder relationships more strategically.

#### **7.4.3 Findings pertaining to coding theme three: Stakeholder identification and relationship attributes**

Coding theme three consists of the subcategories explained in Table 7.7.

**Table 7.7: Subcategories within coding theme three**

| <b>SUBCATEGORY</b>   | <b>DESCRIPTION</b>   |
|--|--|
| Defining stakeholder and stakeholder relationship management | <ul style="list-style-type: none"> <li>Establishing how NPO management defines the concept and terminology of stakeholder and stakeholder relationship management.</li> </ul>  |
| Ad hoc versus planned stakeholder identification             | <ul style="list-style-type: none"> <li>Determining if the organisation deliberately and strategically identifies stakeholders or whether it happens in an ad hoc fashion.</li> </ul>   |
| Stakeholder salience identification                          | <ul style="list-style-type: none"> <li>Investigating how organisations identify the salience and therefore the strategic relevance of stakeholders.</li> </ul>   |
| Relational attributes  | <ul style="list-style-type: none"> <li>Determining if collaboration, commitment, communication, control mutuality, honesty, openness, transparency, investment, mutual consequences, mutually beneficial, satisfaction, trust or anything else, are regarded as a desired relational antecedent and/or relational outcome and to what extent.</li> </ul> |

| SUBCATEGORY                                | DESCRIPTION   |
|--|---|
| Attributes stated as organisational goals. | <ul style="list-style-type: none"> <li>Discovering if relational attributes and desired outcomes are proactively stated as organisational goals.</li> </ul> |

#### **7.4.3.1 *Defining stakeholder and stakeholder relationship management***

When asked to define the terminology *stakeholder*, many participants started to explain the who their stakeholders were, rather than what constitutes a stakeholder. After some probing a variety of definitions and explanations emerged. The most prevalent explanations were that a stakeholder is someone who has an interest in the organisation, contributes to it, subscribes to what they do, supports the social initiative in question, is involved in what the organisation does, and shares the same values and vision as the organisation. Four participants came very close to Freeman's (2010:25) definition when they stated that a stakeholder is someone who influences the organisation's character, make-up and activities, or who is influenced by what the organisation does and who is instrumental in ensuring that an organisation meets its strategic objectives.

Stakeholder relationship management was regarded as managing the processes and structures used to engage with stakeholders, understanding the needs of stakeholders, and maximising the relationships with stakeholders so that they keep supporting the organisation. One participant simply said that stakeholder relationship management means "keep the stakeholders happy". Two participants mentioned that it was managing the communication between the organisation and its stakeholders (notably, neither of these organisations has a communication strategy or plan in place).

#### **7.4.3.2 *Ad hoc versus planned stakeholder identification***

Six participants felt comfortable that they have formally identified their stakeholders, although only two participants referred to it as stakeholder mapping and in the case of one of them, it seemed more like a database of the stakeholders with whom they are already engaging. The rest of the participants admitted that stakeholders often



become stakeholders by default and “often very sadly, reactively”. One participant said the process was completely random and very “amorphous”.

#### **7.4.3.3 *Stakeholder salience identification***

The levels of influence and power emerged as the strongest salience factor in identifying stakeholders and virtually all the participants alluded to this in some way or another. Many participants referred to government as a powerful stakeholder in light of their power as a potential funder, but also as legislator whose decisions could impact negatively on the NPO sector. One participant said “you can’t operate in this country without government”. A few participants acknowledged the power of government as a stakeholder, but said at the same time that they were striving to be less dependent on government’s funding because it has become so unstructured and insufficient.

#### **7.4.3.4 *Relational attributes and outcomes stated as organisational goals***

When asked to describe the characteristics (attributes) of a successful stakeholder-NPO relationship, the attributes of trust, communication, commitment, mutually beneficial, honesty, openness and transparency were mentioned most often and with virtual equal frequency (each of these attributes were cited by between 12 and 14 participants). Trust was regarded as a key attribute of a successful relationship. Participants argued that trust is earned over time and that building trust is a continuous process. Two participants stated that the stakeholder and the organisation should trust each other and another said that the stakeholder must trust the organisation to be dependable and to come from a position of strength. Face-to-face, open and regular communication was regarded as equally important where people are willing to communicate openly and honestly. Virtually every participant believed that the relationship should be mutually beneficial and that “we help them achieve their goals and they help us achieve our goals” where “everybody puts in something and everybody gets out something”.

The attributes of investment, control mutuality, mutual consequences, and collaboration appeared next in descending order of frequency. Several participants believed that a strong relationship is characterised by the fact that the stakeholder



shares their vision and values, believes in what the organisation is doing, that there is a “like-mindedness,” a similar interest and a symbiosis of ideas. In spite of having strong views about the attributes of successful relationships, not a single participant indicated that the desired attributes are stated as specific organisational goals to be achieved.

In analysing the responses, it appears that most participants exclude potential stakeholders when defining who a stakeholder is, and regard a stakeholder as someone who is already linked to the organisation in some way. This confirms the fact that relationships are to some extent managed reactively, and someone (or a grouping of people) is regarded as a stakeholder only after they have shown some interest in the organisation. This approach arguably excludes the media, potential funders or donors, the community at large, or any latent stakeholder who is unaware of the organisation. Those organisations which have done some form of stakeholder mapping, seem to have done it purely from an external stakeholder perspective. However, albeit unintentionally, one stakeholder map resembles Grunig and Hunt’s (1984) linkages model somewhat, in the sense that the stakeholders are grouped according to their link to the organisation such as a donor, a partner or a collaborator.

The mentioning of power and influence as salience factors in identifying stakeholders, resonates with Mitchell et al’s (1997) theory of stakeholder identification and salience, an aspect which is further discussed in section 7.5.

The attributes of a relationship as mentioned by the participants strongly echo the relational antecedents and outcomes presented in the conceptual framework. The relational antecedent of stakeholder-NPO association is regarded as relevant in stages three and four of the conceptual framework and this was confirmed by the data. The majority of participants regarded stakeholders relevant when there was a like-mindedness and a shared vision and goal between the organisation and its stakeholders. Those who were interested in what the organisation does, support its social initiative and subscribe to it, were regarded as stakeholders. Relational outcomes such as trust, commitment, investment, mutually beneficial relationships and satisfaction were regarded by the majority of participants as self-explanatory and therefore relevant.

The belief that face-to-face, open and regular communication as a definitive attribute of a strong relationship bears a thought-provoking perspective on the apparent lack of communication strategies in the organisations in question and will be discussed further as part of coding theme five, namely communication and stakeholder relationship management. It is posited that the absence of a strategic perspective on desired attributes of stakeholder relationships confirms the argument that stakeholder relationship management is not practised strategically in the South African NPO sector.

#### **7.4.4 Findings pertaining to coding theme four: Business strategy and stakeholder relationship management**

The fourth coding theme was populated with the subcategories illustrated in Table 7.8.

**Table 7.8: Subcategories within coding theme four**

| <b>SUBCATEGORY</b>   | <b>DESCRIPTION</b>  |
|--|---|
| Parties responsible for the business strategy  | <ul style="list-style-type: none"> <li>Determining which internal parties are responsible for designing the business strategy.</li> </ul>   |
| Involvement of external and internal stakeholders in business strategy   | <ul style="list-style-type: none"> <li>Determining if and how the organisation involves external and internal stakeholders in designing its business strategy.</li> </ul>   |
| Formal and/or informal research  | <ul style="list-style-type: none"> <li>Establishing whether the organisation uses formal and/or informal research to determine which external factors could influence their work.</li> </ul>                                      |
| Business strategy's link to stakeholder relationship management activities and/or stakeholder relationship management strategies | <ul style="list-style-type: none"> <li>Determining the link between the business strategy and the stakeholder relationship management activities or the stakeholder relationship management strategy, should it exist.</li> </ul> |
| Stakeholders' link to business strategy  | <ul style="list-style-type: none"> <li>Discovering how stakeholders are proactively and intentionally linked to the organisation's business strategy.</li> </ul>  |
| Stakeholders' link to current strategic issues   | <ul style="list-style-type: none"> <li>Discovering if certain stakeholders are directly and proactively linked to current strategic organisational issues.</li> </ul>   |

**7.4.4.1 *Parties responsible for the business strategy and the involvement of internal and external stakeholders in the business strategy***

Almost all the participants indicated that the CEO or managing director is ultimately accountable for the organisation's business strategy, but that drafting it was a collective effort of senior management. Some participants indicated that the board or trustees provided input, but most said that the board only approved and signed off the strategy. One participant admitted that it was only a formality and another said that their board was generally somewhat "disengaged". It seems as if internal stakeholders, other than senior management, are also to a large extent involved in providing input towards the business strategy. However, the involvement of external stakeholders, except for non-executive board members or specialist consultants, is virtually non-existent. Only three participants admitted that they consulted with clients, other NPOs and the community through interviews and focus groups to obtain input for the business strategy.

**7.4.4.2 *Formal and/or informal research***

Participants agreed mostly that they use informal research methods to determine which external factors could influence the work they do, and how satisfied or dissatisfied their stakeholders are. These informal methods were described as having an ear to the ground, keeping an eye on social media, following emerging trends, being close to the stakeholder, and relying on informal feedback. One participant admitted that it was "pretty unstructured and ad hoc", and another said that they did not have the capacity for formal research and that "it's a huge weakness". A limited number of semi-formal methods were in place such as a suggestion box, community engagement exercises and structured feedback sessions. One participant mentioned a questionnaire, and another referred to survey monkey as research tools they have used in the past. One organisation, which specialises in the field of educational research, has a research department and the participant believed that their research efforts help them to "be ahead of the pack". He admitted though that they have not done any formal research to determine how satisfied or dissatisfied their stakeholders are with the organisation.

#### **7.4.4.3 *Business strategy's link to stakeholder relationship management activities and/or stakeholder relationship management strategies***

When asked whether the organisation had a formal stand-alone stakeholder relationship management strategy, several senior managers seemed unsure and responded that they think there is, they do not know, “informally there is sort of a strategy” and “I think it is interwoven with our main [business] strategy”. All organisations have a business strategy. Two of them have five-year business strategies which they review annually in order to draft a business plan for that year. The rest have annual business strategies. Although no organisation has a formal stand-alone stakeholder relationship management strategy, all participants were comfortable that there was a definite link between the organisation's business strategy and its stakeholders' engagement activities. However, these business strategies seemingly have an external focus, and participants mentioned external stakeholders such as clients, funders, donors and beneficiaries as relevant to their business strategies, thus excluding employees and latent stakeholders as stakeholders.

#### **7.4.4.4 *Stakeholders' link to business strategy and current strategic issues***

The majority of participants agreed that they identify stakeholders on an ad hoc and reactive basis and not strategically, and this is reflected in the apparent lack of a link between stakeholders and current strategic issues. Participants agreed that stakeholders “appear” by default when a crisis or unplanned strategic issue arises. All participants indicated that they have a formal and structured business strategy or plan, but many of them admitted that they do not function in an equally formal and structured environment, and that unpredictable strategic issues constantly appear on the horizon. One participant stated that they operated in a complex world and another said that dealing with stakeholders was like raising children “because you never know when they're going to get sick and need more coddling”. No participants admitted to designing a formal stakeholder relationship management strategy linked to, and focussed on only one specific strategic issue. Those with stakeholder relationship management strategies or engagement plans have written them from a macro-perspective.

Interpreting the responses above, the concern of many participants about the their boards who consist of volunteers who are often somewhat disengaged, has definite implications when it comes to implementing the stakeholder relationship management governing principles contained in the King IV Report on Corporate Governance. The King committee clearly regards governance, including stakeholder relationship management, the responsibility of the board (or trustees), which should be delegated to senior management, who in turn should filter it through to the rest of the organisation.

Formal research is limited in the NPO sector, arguably due to a lack of sufficient funding, but NPO senior management is seemingly good at networking and makes use of a variety of informal research methods to determine which external factors may influence their operations. Business strategies are based on information gathered this way and targeted and identified external stakeholders are linked to their business strategies and plans. However, both these business strategies and stakeholder activities are implemented from a macro-perspective and when unexpected strategic issues surface, stakeholder relationship management becomes reactive and not strategic.

The admittance of participants that they have annual, structured and formal business plans (modernism), but that they operate in an unpredictable and often chaotic environment (postmodernism), resonates with the metamodern worldview of this study.

#### **7.4.5 Findings pertaining to coding theme five: Communication and stakeholder relationship management**

The fifth coding theme consists of the subcategories in Table 7.9.

**Table 7.9: Subcategories within coding theme five**

| SUBCATEGORY                           | DESCRIPTION  |
|---------------------------------------|--|
| Existence of a communication strategy | <ul style="list-style-type: none"><li>Establishing if the organisation has a communication strategy.</li></ul> |

## CHAPTER 7: INTERPRETATION OF THE FINDINGS AND THE IMPLICATIONS FOR THE CONCEPTUAL FRAMEWORK

| SUBCATEGORY  | DESCRIPTION  |
|--|--|
| Parties responsible for the communication strategy                                       | <ul style="list-style-type: none"> <li>Determining who in the organisation is responsible for designing the communication strategy.</li> </ul>   |
| Communication strategy versus communication plan   | <ul style="list-style-type: none"> <li>Determining if NPO management makes a distinction between a communication strategy and a communication plan.</li> </ul>   |
| Information dissemination versus strategic communication                                 | <ul style="list-style-type: none"> <li>Capturing comments indicating whether the organisation is mostly busy with information dissemination, as opposed to strategic communication, if at all.</li> </ul>              |
| Link between communication and relationships   | <ul style="list-style-type: none"> <li>Determining how NPO management regards the link between communication and relationships, if any.</li> </ul>   |
| Stakeholders' communication needs  | <ul style="list-style-type: none"> <li>Determining if NPO management is aware of their stakeholders' communication needs and how it was discovered, if at all.</li> </ul>  |
| Link between the communication strategy and stakeholder relationship management strategy | <ul style="list-style-type: none"> <li>Investigating if there is a direct link between the communication strategy (should it exist) and the stakeholder relationship management strategy (should it exist).</li> </ul> |

The next section discusses participants' responses pertaining to the link between communication and stakeholder relationship management, whereafter an interpretation of the findings will follow.

### ***7.4.5.1 Existence of a communication strategy/plan and parties responsible for the communication strategy/plan***

Only four participants confirmed that they had a communication strategy, two of whom said that they did not have a communication strategy for the business per se, but rather per project in which they are involved. After some probing, it appeared that at least three of these strategies were communication plans, rather than strategies. One participant mentioned a communication policy on social media. Most participants admitted that they did not have communication strategies or plans, that they haven't had much time to "plan these things" and that they "fly by the seats of their pants".

The CEO of one of the organisations with a communication strategy studied public relations and she took ownership of the organisation's communication strategy. One organisation had a board member with an honours degree in corporate communication, one had a designated communications manager and one had a public relations and resource development manager. The communications manager and the public relations and resource development manager were responsible for their organisations' communication strategies/plans. Neither of them has formal corporate communications training, and one admitted that she had learnt most of what she knows "on the job". The qualified board member said that their communication plans were per project or initiative, and were done collectively by the board. Two organisations mentioned that they had appointed external consultants to assist them with their communication and marketing strategies – one thought it was a waste of time and money because he could not see results, and the other said they had not bedded the strategies down yet. The rest of the organisations' communication activities were executed by individuals in the organisations with no formal corporate communication qualifications.

#### **7.4.5.2    *Information dissemination versus strategic communication***

All the researched NPOs were mostly concerned with information dissemination in the form of websites, social media forums, brochures, feedback reports, newsletters and other traditional communication media. Even those who were comfortable that they had communication strategies in place, admitted that they mainly focussed on distributing information. One participant believed that the "communications unit should be the one that feeds the relevant information through to the relevant stakeholders". Not a single participant mentioned face-to-face communication as part of their communication strategies/plans, and no one referred to *collaboration* (a word that was used 27 times by the respective participants) or *partnership* (used 18 times) as concepts inherent to their communication strategies/plans. In contrast, the verb *report* was used 150 times and *reports* 57 times, a clear indication of how communication resources were allocated.



#### **7.4.5.3 Stakeholders' communication needs**

None of the researched organisations had done formal research to determine the communication needs of their stakeholders. Two participants said that they were in the process of surveying it, but the research was incomplete at the time of the interviews. Most participants believed they know how their stakeholders would like to be communicated to because they had informally asked them. However, almost all these participants were referring to donors only in mentioning this. One participant said that their employees were physically present in the communities and therefore knew their communication expectations.

#### **7.4.5.4 Link between the communication strategy and stakeholder relationship management strategy**

Participants struggled to identify the link between a communication strategy and a stakeholder relationship management strategy. One participant said that there was an interaction, but that it was not the same thing, another said they are “separate but definitely intertwined”, and one speculated that there was no difference between the two, implying that they were dependent on one another. One participant believed that the communication strategy was an important, but only partial part of a stakeholder relationship management strategy, whereas another argued that communication was part of stakeholder relationship management. Everyone regarded the link between the two strategies as important, but most were referring to knowing the stakeholders so that they were able to send them the correct information and use the correct communication media (focussing again on information dissemination). One participant said the primary role of their communication strategy was to inform their stakeholders and that it was more a “talking than a listening strategy”. He admitted that it should “open up the opportunity for people to give feedback to us”.

#### **7.4.5.5 Link between communication and relationships**

Despite the apparent lack of communication strategies, particularly in support of stakeholder relationship management strategies, all participants agreed that there was a definite and important link between communication and relationships. When asked



how they regarded the link between communication and relationships, they responded that it was critical, key, vital, huge and primary. Participants felt that communication should be utilised to inform stakeholders about the organisation's operations in order to stay "top of mind", to understand and know stakeholders, to increase funding, to build trust, better connections and stronger partnerships. One participant said that stakeholders needed to be nurtured and that it was done via communication. This was echoed by someone who compared relationships to plants, and communication to the water needed to keep the plants alive. She believed that relationships were grown and sustained through communication, and this was confirmed by someone who stated that "communication is key in initiating some relationships and definitely in sustaining all relationships". Only one participant implied, albeit unintentionally, that a communication strategy should follow a stakeholder relationship management strategy when he stated that communication was a tool to build relationships (notably this organisation has neither a communication nor a stakeholder relationship management strategy). The link between communication and relationships was summarised succinctly by a participant when she declared that "...indeed some relationships would start because of good communication".

An interpretation of the responses above confirms the lack of qualified communication practitioners in the NPO sector, as well as the lack of communication strategies in support of stakeholder relationship management strategies. The participants responsible for the organisation's communication function expressed the desire for senior management to become more involved in the communication function. One participant said that she was afraid to commit to anything because she was alone, and another mentioned that "for a very long time I was just the lone ranger in communication". Although a number of participants viewed communication strategies and plans separate from stakeholder relationship management strategies and plans, all participants agreed that communication plays a vital role in establishing, sustaining and nurturing relationships. NPO management instinctively understands that they need extraordinary communication strategies in order to reach their stakeholders effectively. One participant said that people in the NPO space are overwhelmed with communication, another admitted that people do not read their e-mails and a third joked that he may have to "walk naked down the street" to be noticed. Despite this, there is little strategic focus on integrated, two-way communication and

communication with stakeholders is mostly done intuitively, ad hoc and by disseminating information.

Having referred to two supporting theories of this study, namely integrated communication and the mixed-motive two-way communication, it seems prudent to highlight the appearance of theoretical inferences in the data.

## **7.5 HIGHLIGHTING THEORETICAL INFERENCES IN THE DATA**

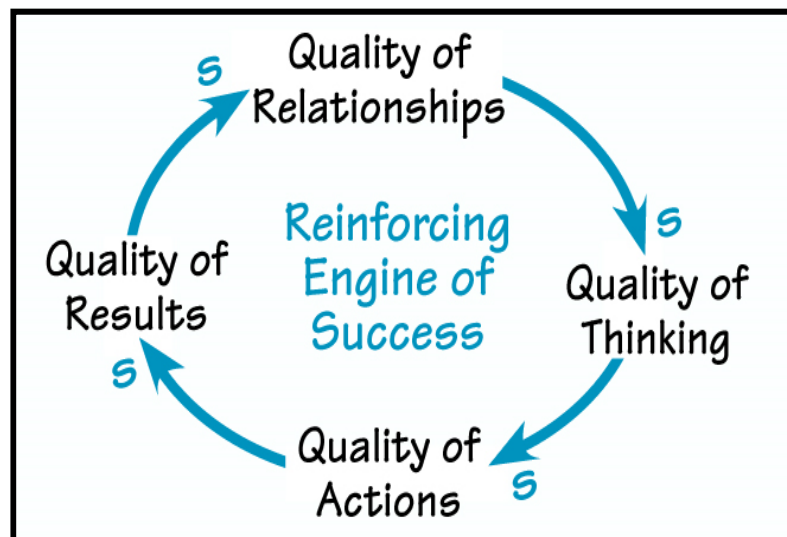
Although participants did not refer to theoretical concepts by name, many of the communication and stakeholder relationship management theories relevant to this study as explicated in the foregoing chapters, were implied by comments made by the participants. These were condensed into the sixth coding theme, namely *relevance to theory*. The following brief discussion of these theoretical inferences confirms the relevance of these theories to stakeholder relationship management practises in the South African NPO sector.

### **7.5.1 The adaptive open systems theory**

Postmodern scholars such as Ströh (2009:203-204) regard the systems theory modernistic, as opposed to postmodern approaches such as the chaos and complexity theory. Despite participants admitting that from a postmodern perspective “the world is complex these days”, modernistic systems thinking seems to be well and alive in the NPO sector. Participants referred to elements of systems thinking when they mentioned that they have to understand the workings of the system, that the organisation and its processes need to be renewed all the time otherwise it would die and that it is about “more than the sum of the little bits”. One organisation uses Kim’s (1997) core theory of success, a systems thinker who believes that systems thinking is an important discipline in approving an organisation’s success. Albeit unintentionally, Kim’s core theory of success links directly to stakeholder relationship management, since it argues that the quality of relationships ultimately impacts on the quality of results, which in turn influences the quality of relationships. He therefore argues that the starting point in planning organisational success should be a focus on relationships. He defines the core theory of success as follows:

“As the quality of relationships rises, the quality of thinking improves, leading to an increase in the quality of actions and results. Achieving high-quality results has a positive effect on the quality of relationships, creating a reinforcing engine of success”. (Kim 1997)

This definition is visually presented in Figure 7.1.



**Figure 7.1: The core theory of success**

Source: Kim (1997)

It is posited that participants' references to both modernistic and postmodernistic traits in their respective environments confirm the metamodern view of this study that stakeholder relationship management could be practised from a systems thinking perspective (modernistic), despite the complexities (postmodernistic) of the environment in which it is being practised.

### 7.5.2 The mixed-motive model of two-way communication

Grunig and Grunig developed a new model of looking at two-way public relations in 1995, namely the mixed-motive model of two-way communication (Grunig 2001:25) which was discussed in detail in Chapter 3. Its premise was that it would lead to a win-win situation for both the organisation and its stakeholders. This view resonates strongly with the relational outcome of mutually beneficial relationships as a goal of stakeholder relationship management proposed in all the stages of the conceptual framework for stakeholder relationship management for NPOs. Several participants

confirmed this viewpoint when they explained their efforts aimed at creating mutually beneficial relationships, in other words a win-win situation for both the organisation and its stakeholders. It was described as “what you get from a person and what you give as a result”, “that it is beneficial to both parties”, “everybody puts in something and everybody gets out something”, and “an understanding that we all stand to benefit from the relationship”.

The word *feedback* was used 221 times by the respective participants – in the context of informal research, determining the communication needs of stakeholders, understanding how satisfied stakeholders are, knowing what stakeholder expectations are and how successful initiatives and programmes are. Only one participant explicitly referred to face-to-face communication, but several alluded to the fact that external stakeholders prefer personal contact and that a substantial component of their daily task comprises of networking with stakeholders. These comments all imply two-way communication between the organisation and its stakeholders and it is arguably intuitively practised in the NPO sector, regardless of the fact that they mostly do not have formal communication and/or stakeholder relationship management strategies.

### **7.5.3 Integrated communication theory**

References to the theory of integrated communication were scant, and the only link to this concept came from two organisations which have implemented client relationship management (CRM) programmes in an effort to integrate and align communication activities with a certain grouping of external stakeholders, referred by both of them to as clients. Two participants touched on the importance of integrated communication when they said that “your work has to fit in with what communications is doing, otherwise things just fall through the cracks” and “it all needs to link in a way, otherwise something goes”. It is, however, clear that although management may on some level agree on the importance and value of integrated communication, the concept does not receive conscious attention in the South African NPO sector.

#### 7.5.4 Stakeholder relationship management theories

A variety of stakeholder relationship management theories and approaches were highlighted in previous chapters as appropriate for the South African NPO sector. Aspects of virtually all these theories are evident in the data and warrant a brief discussion of the most prevalent references.

Most noticeable was the indirect reference by almost all the participants to the stewardship theory by maintaining that senior management takes ownership of building relationships with stakeholders, even in the absence of formal stakeholder relationship management strategies. Participants said that managers do it intuitively, take ownership and collective responsibility by doing what they believe to be the right, and that building relationships with stakeholders is part of the culture of an organisation. This confirms the basic premise of the stewardship theory namely that managers essentially want to do a good job and be good stewards of an organisation's assets, including its stakeholders (Donaldson & Davis 1989:50;51). This is an encouraging trend in the South African NPO sector with its lack of qualified communication and stakeholder relationship management experts, indicating that management is willing to take ownership of these functions.

Elements of the linkages model (Grunig & Hunt 1984) and Mitchell et al's (1997) stakeholder identification and salience theory, featured strongly in the manner in which NPO management identifies stakeholders. One organisation did a stakeholder map and categorised their stakeholders according to their link to the organisation, though these categories were not similar to those of the linkages model, namely enabling, normative, functional and diffused stakeholders. Most organisations regard funders, including government, as enabling stakeholders and particularly those organisations with NPO status (which are eligible for government funding) spend ample time in networking with government. One CEO of an NPO claimed that "you can't operate in this country without government...they can tomorrow take back our NPO status". Participants replaced the terminology of *power* used in the stakeholder identification and salience theory with *influence* (*influence* and *influential* were used 64 times by the respective participants) and argued that a stakeholder's level of influence determines the stakeholder's salience. They agreed that the more influential a stakeholder

grouping is, the more attention it receives, and they regard influential stakeholders as strategic stakeholders. A few participants referred to vocal, demanding and complaining stakeholders as time consuming, which can be equated to the aspect of *urgency* found in the stakeholder identification and salience theory.

Rowley's (1997) network theory of stakeholder influences argues that organisations are embedded in networks, as much as stakeholders are tied to each other and participants seemed to instinctively understand this. Not only do they agree that influential stakeholders are strategic stakeholders, but realise that the organisation also has the power to influence stakeholders. One participant commented on the influence certain stakeholder groups have on the organisation, and the influence they would like to have on them. Many participants declared that they network all the time, that networking is critical, and that they and their organisations are part of networks.

The relationship management theory (Ledingham & Bruning 1998) refers explicitly to the role of both management and communication in the building and sustaining of organisation-stakeholder relationships. Ledingham (2003:193-194) argues that, from a relational perspective, communication should be regarded as a strategic tool in the process of building and sustaining stakeholder relationships. Despite the general lack of formal communication strategies in their organisations, most participants were comfortable with this view and declared that communication is key to building and sustaining strong relationships. In fact, one participant said "I guess the communication part is only a mere tool to establish the relationship".

From this discussion it becomes clear that many theoretical aspects are inherent in the manner in which the researched NPOs deal with stakeholder relationship management issues, but that virtually none of these is verbalised as such, or formalised into any kind of strategy. Arguably, this supports the need for a model for stakeholder relationship management for NPOs, incorporating the mentioned theories to assist South African NPOs in strategically managing their stakeholder relationships.

## 7.6 REVISITING THE STUDY'S METAMODERN WORLDVIEW

The dichotomy and blurring lines between modernism and postmodernism steered the view of this study comprising that it is not necessary to destroy one paradigm in favour of another, and that a multiparadigm approach has become necessary. The worldview for this study has therefore been defined as metamodernism – a worldview which comfortably oscillates and negotiates between modernism and postmodernism. Metamodernism was contextualised in detail in Chapter 2.

Comments made by the participants confirm the appropriateness of a metamodern worldview. More than one participant mentioned that NPOs should operate like a business and from remarks made by various participants, these “businesses” seemingly follow modernistic business trends. Most of the researched organisations have a traditional multilayered organisational structure, unless it is small and managed by only a few volunteers. Even then, structured business strategies and financial governing principles are adhered to. Business strategies are designed from a macro-perspective, and as many as four participants have five-year business strategies (reviewed annually). The rest all have annual business strategies. Many participants mentioned *structure* as an important concept in their environment.

In spite of these modernistic trends, the NPO sector seemingly functions in a postmodern environment. Participants remarked on the speed of change, the complexities with stakeholders, constantly changing dynamics, multicultural set-ups, and the intricacy of the world in general. One participant said that stakeholder relationship management in the NPO environment is not a step-by-step approach since one has to be where one is needed, and another summarised it all by saying that “our days are lucky packets,” implying that they cannot predict what is lying ahead.

Virtually all participants expressed a desire for some structure and order as far as their stakeholder relationship management efforts are concerned, and their positive attitudes towards the proposed conceptual framework attest to this. Thus, despite the seemingly unpredictable, chaotic, diverse and multicultural societies in which they operate (postmodernism), there is a need for a structured approach, containing some truths, to stakeholder relationship management (modernistic). The managing director

of the organisation which recently started a change management programme with a strong focus on stakeholder relationship management, describes the value of their structured approach as focussed and no longer ad hoc, preventing them from “running around like a chicken without a head”.

It is therefore posited that the chosen interrelated worldview between modernism and postmodernism, namely metamodernism, is appropriate and would make it possible for communication specialists and non-communication specialists in NPOs, who simultaneously operate in structured organisations (modernistic) and chaotic, diverse, multicultural societies (postmodernistic) to understand and join the discussion on stakeholder relationship management.

The following section will illustrate how the interpretation of the data and the insights discussed above impact on the proposed conceptual framework for stakeholder relationship management for South African NPOs.

## **7.7 IMPLICATIONS OF THE FINDINGS FOR THE CONCEPTUAL FRAMEWORK**

The purpose of the research fieldwork, consisting of face-to-face semi-structured interviews with senior management in South African NPOs, was to obtain data that could assist in developing the conceptual framework for stakeholder relationship management for NPOs into a practical and workable model. The impact of these findings on the conceptual framework therefore needs to be contextualised and will be done by firstly addressing the proposed relational antecedents and outcomes whereafter each stage of the proposed conceptual framework will be addressed respectively. In the interest of context and clarity, some degree of repetition between the content of Chapter 5, the forgoing discussion of the findings and the next section illustrating the implication of the findings, is unavoidable.



### 7.7.1 The implications of the findings for the proposed relational antecedents and outcomes

*Expectations, mutual consequences and stakeholder-NPO association* were regarded as relevant relational antecedents to stakeholder relationship management in the NPO sector as discussed in Chapter 5. Participants were in agreement that these antecedents need to be present to lead to the formation of a relationship, but the one antecedent which was supported very strongly by virtually all the participants was *stakeholder-NPO association*. Although participants never used the terminology as such in defining what constitutes a stakeholder, they implied it through phrases like shared vision and values, a belief in what the organisation is doing, a “like-mindedness”, a similar interest and a symbiosis of ideas. It was thus decided to add *stakeholder-NPO association* as an antecedent to all the stages of the proposed conceptual framework, and not only to stages three and four as it appears in the conceptual framework.

The second amendment pertains to the relational outcomes. For the purpose of this study the relational outcomes of *trust, satisfaction, commitment, control mutuality, involvement and investment* were regarded as relevant to the South African NPO environment. One participant expressed discomfort at the suggestion that managers should move away from regarding the organisation as the focal hub, to regarding stakeholders as centric to organisational success. He stated that it is of no use to him if the stakeholder is satisfied with the relationship, but not the organisation. Ideally, effective stakeholder relationship management should result in mutually beneficial relationships, thus implying that the relational outcomes of *trust, satisfaction, involvement and investment* will not be one-sided, but mutual. Although this comment was made by only one participant, it was regarded as significant enough to amend the relational outcomes of each stage to clearly indicate that the relational outcomes of effective and strategic stakeholder relationship management would include *mutual trust, mutual satisfaction, mutual involvement and mutual investment*.

These amendments to the relational antecedents and outcomes are indicated in red on each stage of the model as it appears in the sections to follow.

### 7.7.2 The implications of the findings for stage one of the conceptual framework

The design of stage one of the conceptual framework for stakeholder relationship management for NPOs was influenced by the literature review which indicated that stakeholder relationship is common sense to some extent, that managers do it intuitively and that managers, from a stewardship theory perspective, want to do a good job and protect the interests of both the organisation and its stakeholders. The literature review also revealed that most South African NPOs seemingly do not employ full-time communication specialists, and it was concluded that NPO managers should therefore take responsibility, for and ownership of, the stakeholder relationship management function. It was further argued that NPO managers will struggle to do this and to practise effective stakeholder relationship management if they are not formally trained and equipped to do so. The first stage of the conceptual framework therefore suggests building the stakeholder relationship capabilities of the NPO sector by training its management in the concepts of stakeholder relationship management.

Based on the arguments above, the following assumption and proposition were thus made:

#### ***Assumption one***

NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.

#### ***Proposition one***

Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of stakeholder relationship management and constantly consider the interests of all stakeholders.

The proposition that managers should be trained in the concepts of stakeholder relationship management before they would be able to practise it effectively and the assumption that NPO managers in South Africa currently lack such training, gave rise to the question of exactly how much knowledge South African NPO managers have of

stakeholder relationship management, both as a communication science concept and a governing principle.

The first research question was therefore formalised as the following:

**Research question 1:** How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?

The relationship between research question 1(RQ1), the literature review and the data analysis, as well as the answer to the research question, is illustrated in Table 7.10.

**Table 7.10: Contextualising research question 1**

| RQ1  | ADDRESSED BY  | ANSWER TO RQ1   |
|--|---|---|
| How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle? | <ul style="list-style-type: none"><li>• Literature review Chapters 3, 4 and 5.</li><li>• Face-to-face semi-structured interview questions 1 to 7.</li></ul> | <ul style="list-style-type: none"><li>• Analysing and interpreting the data indicated that there is virtually no training in the concepts of stakeholder relationship management in the South African NPO sector, and that management's knowledge about this concept as a scientific communication practice and a governing principle, is very limited.</li></ul> |

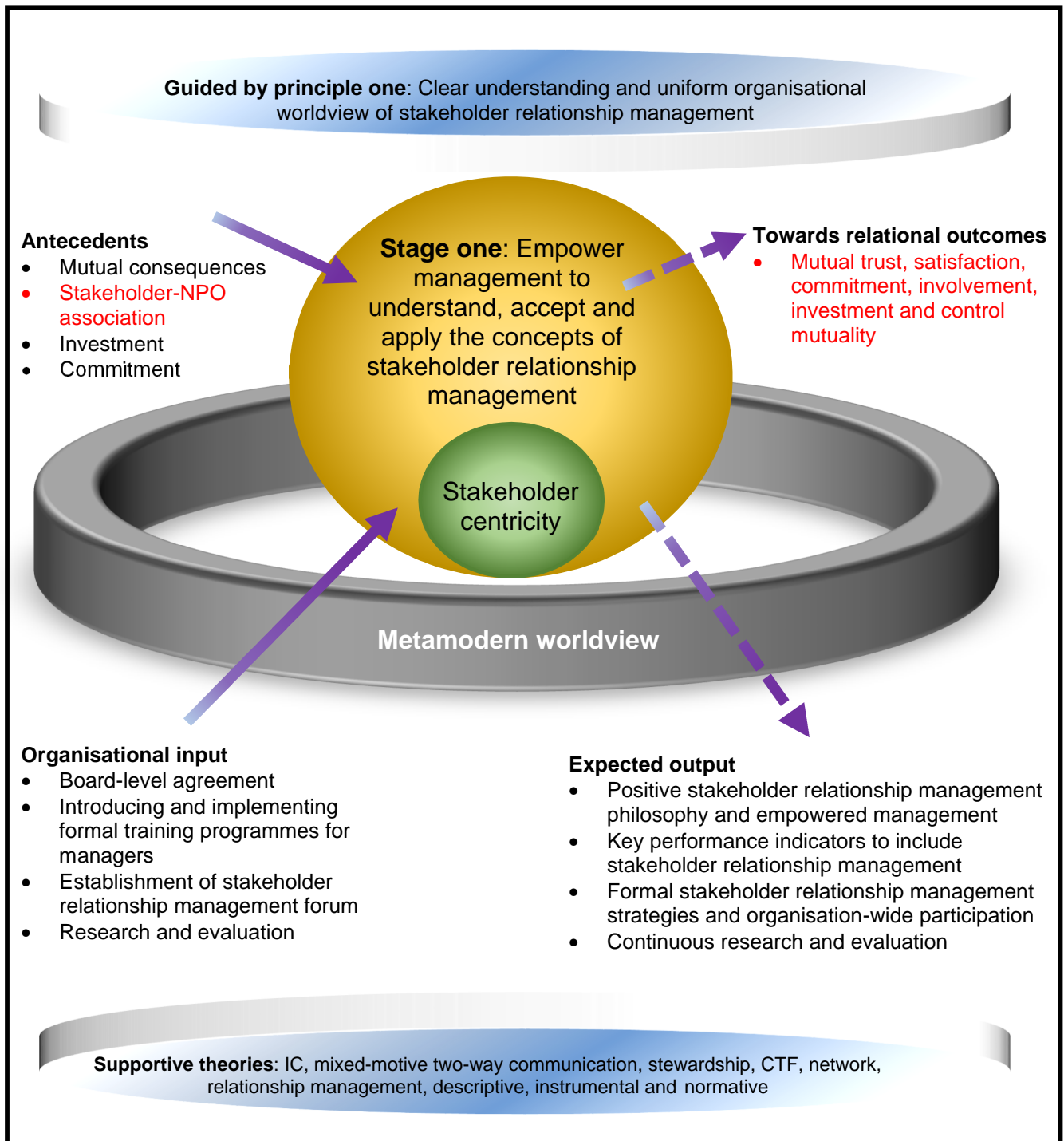
Analysing the data confirmed the assumption that NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it, thus answering research question 1.

No evidence could be found in the data that NPO managers are adequately trained in the concepts of stakeholder relationship management, but ample evidence suggests that they regard relationships with their stakeholders important, to the point where most participants believed that the NPO sector cannot function and survive without strong stakeholder relationships.

Stage one of the conceptual framework was verbalised as *empower management to understand, accept and apply the concepts of stakeholder relationship management* and was built on the principle that a clear understanding and uniform organisational worldview of stakeholder relationship management is needed in order for the function to be practised strategically. Based on the data analysis and interpretations thereof, no amendments to stage one of the conceptual framework are suggested and proposition one is accepted. Knowledge of stakeholder relationship management as a scientific concept is therefore regarded as imperative, and thus functions as the starting point and first stage in an NPO stakeholder relationship management model.

The detailed explanation of the various elements comprising stage one can be found in Chapter 5, but in the interest of context, the graphic illustration of this stage is repeated here in Figure 7.2, with the difference that it is now regarded as the first stage of the model, and not a conceptual framework. The amendments to the relational antecedents and outcomes as discussed, are indicated in red.

GRAPHIC ILLUSTRATION OF STAGE ONE FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT **MODEL** FOR NPOs



**Figure 7.2: Stage one: Empower management to understand, accept and apply the concepts of stakeholder relationship management**

Source: Researcher's own construct.

### 7.7.3 The implications of the findings for stage two of the conceptual framework

Holtzhausen (2000:97) argues that the implementation of two-way communication policies will not be effective when designed at a modernistic macro-level. She posits that communication symmetry should, from a postmodern approach, address particular situations by focussing on what is right and just in those situations, in other words, what is current and strategic at that point in time. The conviction that this argument is equally true for stakeholder relationship management strategies, guided the design of stage two of the conceptual framework. The views of several stakeholder relationship management theorists further confirmed the necessity of linking stakeholders to current strategic issues. Savage et al (1991:62) explicitly state that situations and issues at hand will determine the significance of stakeholders, and that relevant (or strategic) stakeholders at any particular time, will depend on a particular issue. Bourne (2009:80) confirms this with her Stakeholder Circle<sup>®</sup> methodology when she states that a unique stakeholder community will exist for each different activity or project. The second stage of the conceptual framework therefore suggests a thorough analysis of the internal and external environment in order to identify current strategic issues that impact the organisation. From a metamodern perspective, this should be done in a structured, modernistic fashion, but, considering the postmodern environment to which NPOs are exposed, not only annually, but regularly. This will enable NPOs to link strategic stakeholders to current, strategic issues.

Based on these arguments, the following assumption and proposition were made:

***Assumption two***

NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do not link strategic stakeholders to specific, prioritised, strategic organisational issues.

**Proposition two**

Effective stakeholder relationship management strategies are aligned with organisational business strategies and also focus on strategic stakeholders based on current and strategic organisational issues.

The assumption that South African NPOs design stakeholder relationship management strategies from a macro-level perspective without continuously linking strategic stakeholders to emerging micro-level strategic issues, is aligned with the second research question which was stated as:

**Research question 2:** Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?

The relationship between research question 2 (RQ2), the literature review and the data analysis, as well as the answer to the research question, is illustrated in Table 7.11.

**Table 7.11: Contextualising research question 2**

| RQ2   | ADDRESSED BY   | ANSWER TO RQ2  |
|---|--|--|
| Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues? | <ul style="list-style-type: none"> <li>Literature review Chapters 2, 3, 4 and 5.</li> <li>Face-to-face semi-structured interview questions 8 to 11.</li> </ul> | <ul style="list-style-type: none"> <li>NPO stakeholder relationship management activities are generally aligned to organisational business strategies, but this is done from a macro-perspective. Current and emerging strategic issues result in reactive stakeholder relationship initiatives and do not inspire new, micro-level stakeholder relationship management strategies.</li> </ul> |

The process all participants followed in designing their business strategies, confirmed that a modernistic paradigm is still relevant in South African NPOs and that their business strategies are mostly designed from a macro-level perspective, with some of them having as much as a five-year view, albeit reviewed annually. All participants

were comfortable that their stakeholder relationship activities are linked to their business plans, but almost all of them agreed that there is little strategic focus on stakeholder identification when new, urgent or unexpected strategic issues arise. In this case, stakeholders become stakeholders by default and they are dealt with in a reactive manner. A significant finding was that the two organisations which claimed to have stakeholder relationship management strategies incorporated into other strategies, were very focussed in their approach. One organisation concentrates on only one product (she referred to the organisation as being “single-minded” in designing its business strategy) and the other is involved in only one project. It is argued that their focus on micro-level issues, made it easier for them to design and implement relevant stakeholder relationship management strategies. The findings therefore suggest that most NPOs do not have stakeholder relationship management strategies, although they endeavour to align their stakeholder relationship activities with their business plans. It is also clear that new and unexpected issues do not lead to new and relevant stakeholder relationship management strategies, but are dealt with in a reactive manner.

A unique contribution of this study is the suggestion that relational outcomes should, as part of a stakeholder relationship management strategy, be stated as desired goals. It is argued that in doing so, NPOs would be able to evaluate and measure the quality of their relationships with stakeholders. This suggestion resonates with Ledingham and Bruning's (1998:63) argument that communication management programmes should be designed around relationship goals if the communication management function is viewed as a relationship management function. No evidence could be found in the data that NPOs consider this approach. Although all the participants were in agreement with the stated relational outcomes of mutual trust, satisfaction, commitment, control mutuality, involvement and investment, achieving this desired state is seemingly left to chance.

Stage two of the conceptual framework was verbalised as *reach internal consensus about strategic organisational issues* and was built on the principle that a clear understanding and uniform organisational worldview of stakeholder relationship management (including the strategic issues as hand) is needed in order for the function to be practised effectively. Based on the interpretation of the findings, it is



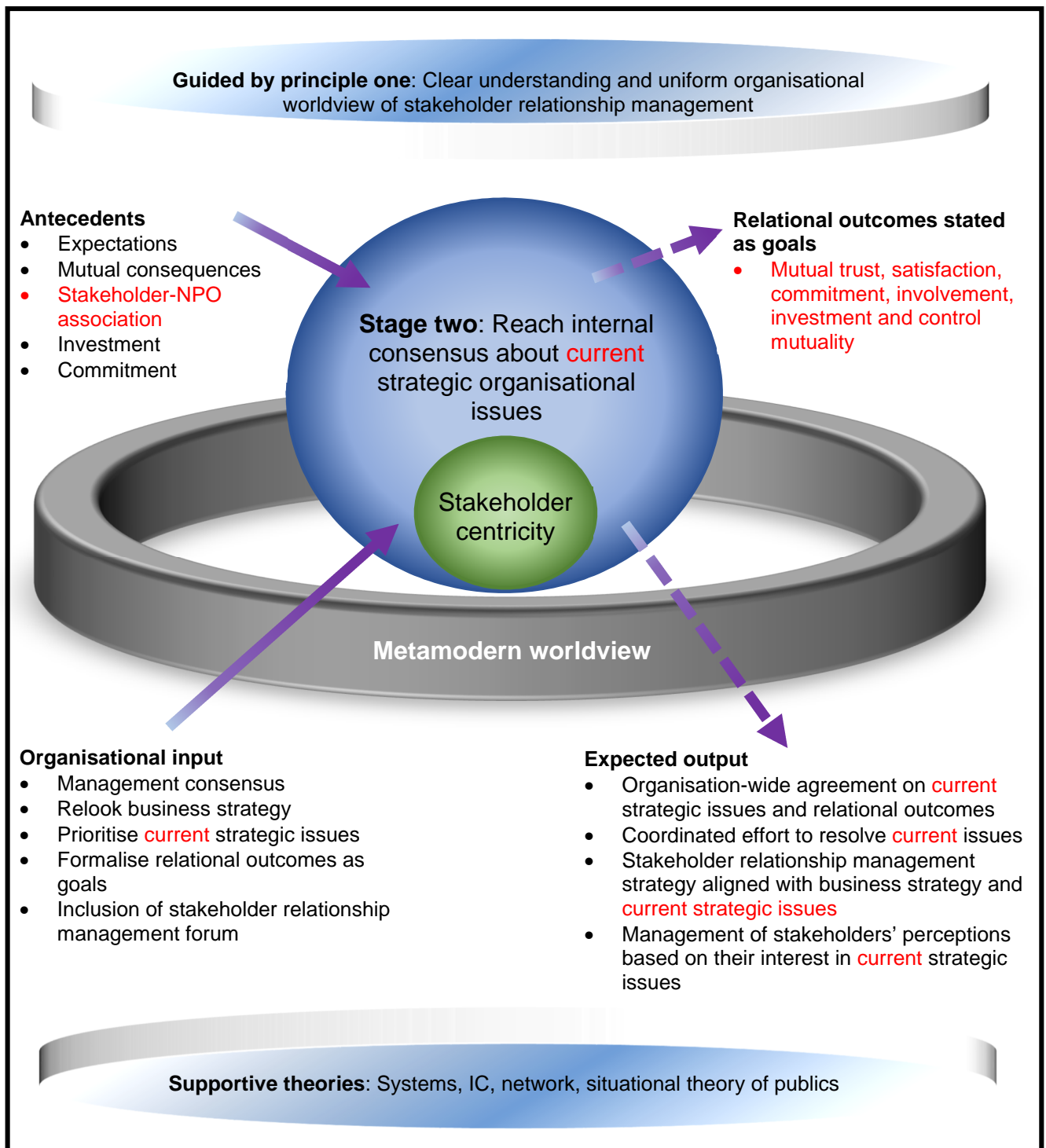
posited that assumption two holds true and proposition two is therefore accepted. Stage two of the conceptual framework is thus regarded as a necessary stage, but in order to reiterate the importance of focussing on *current*, strategic, micro-level issues, it is reverbaised as *reach internal consensus about **current** strategic organisational issues*. The description of the required organisational input during stage two and the expected output after implementing this stage as discussed in Chapter 5, are also refined in bold and italic in Table 7.12 to illustrate this point.

**Table 7.12: Amendments to stage two of the framework**

| ORGANISATIONAL INPUT DURING STAGE TWO   |
|---|
| <p>In order to achieve the goal stated in principle one, NPOs should be willing to provide certain input into the process of stage two which are proposed next:</p> <ul style="list-style-type: none"> <li>• Reach consensus on management level that the stakeholder relationship management strategy should be aligned with, and support the business strategy.</li> <li>• Relook the business strategy (assuming it exists) and identify strategic issues.</li> <li>• Prioritise these issues in order of importance by considering organisational and stakeholder needs.</li> <li>• <b><i>Reach consensus on management level that the stakeholder relationship management strategy should not only be aligned to the business strategy, but should also address emerging and current strategic issues.</i></b></li> <li>• <b><i>Redesign stakeholder relationship management strategies when new issues surface.</i></b></li> <li>• Formalise desired relational goals of mutual <i>trust, satisfaction, commitment, control mutuality, involvement</i> and <i>investment</i> as organisational goals.</li> <li>• Include the stakeholder relationship management forum established in stage one, in the process.</li> </ul> |
| EXPECTED OUTPUT AFTER IMPLEMENTING STAGE TWO  |
| <p>It is posited that an NPO could expect certain outputs once it has successfully implemented stage two, namely:</p> <ul style="list-style-type: none"> <li>• Organisation-wide agreement on the <b>current</b> strategic issues facing the organisation.</li> <li>• Organisation-wide agreement on relational goals to work towards.</li> <li>• Coordinated effort to resolve the pressing issues in the interest of the organisation as well as stakeholders.</li> <li>• <b><i>Stakeholder relationship management strategies in support of organisational goals and the business strategy, aimed at resolving current strategic issues.</i></b></li> <li>• Management of stakeholders' perceptions and relationships, based on issues relevant to said stakeholders.</li> </ul>   |

These semantic changes are made in red on Figure 7.3 which graphically illustrates stage two of the model.

GRAPHIC ILLUSTRATION OF STAGE TWO FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT **MODEL** FOR NPOs



**Figure 7.3: Stage two: Reach internal consensus about **current** strategic organisational issues**

Source: Researcher's own construct.

#### 7.7.4 The implications of the findings for stage three of the conceptual framework

Stage three of the conceptual framework is closely aligned with stage two. Building on the premise that a macro-perspective on stakeholder relationship strategies would not be conducive to the practice, it is posited that NPOs which endeavour to identify strategic stakeholders without the necessary knowledge about the stakeholder approach and theory (stage one) and without an exact understanding of the current strategic issues in the internal and external environments (stage two), would end up with a vague and endless list of stakeholders with no distinct indication of whom to address first, and in which manner.

Based on this argument stage three was built on the following assumption and proposition:

***Assumption three***

NPOs define stakeholders broadly and not strategically, resulting in reactive stakeholder relationship management, since those stakeholders who are the most vocal, receive the most attention.

***Proposition three***

All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.

Assuming that NPOs define stakeholders from a macro-perspective and not strategically from a micro-perspective, directed research question 3, namely:

***Research question 3:*** How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?

The relationship between research question 3 (RQ3), the literature review and the data analysis, as well as the answer to the research question, is illustrated in Table 7.13.

**Table 7.13: Contextualising research question 3**

| RQ3   | ADDRESSED BY  | ANSWER TO RQ3   |
|---|---|---|
| How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders? | <ul style="list-style-type: none"> <li>Literature review Chapters 4 and 5.</li> <li>Face-to-face semi-structured interview questions 12 to 18.</li> </ul> | <ul style="list-style-type: none"> <li>Almost all participants admitted that they know who their current stakeholders are. However, the data provided no evidence of a concerted, proactive and strategic effort to define the salience of stakeholders.</li> </ul> |

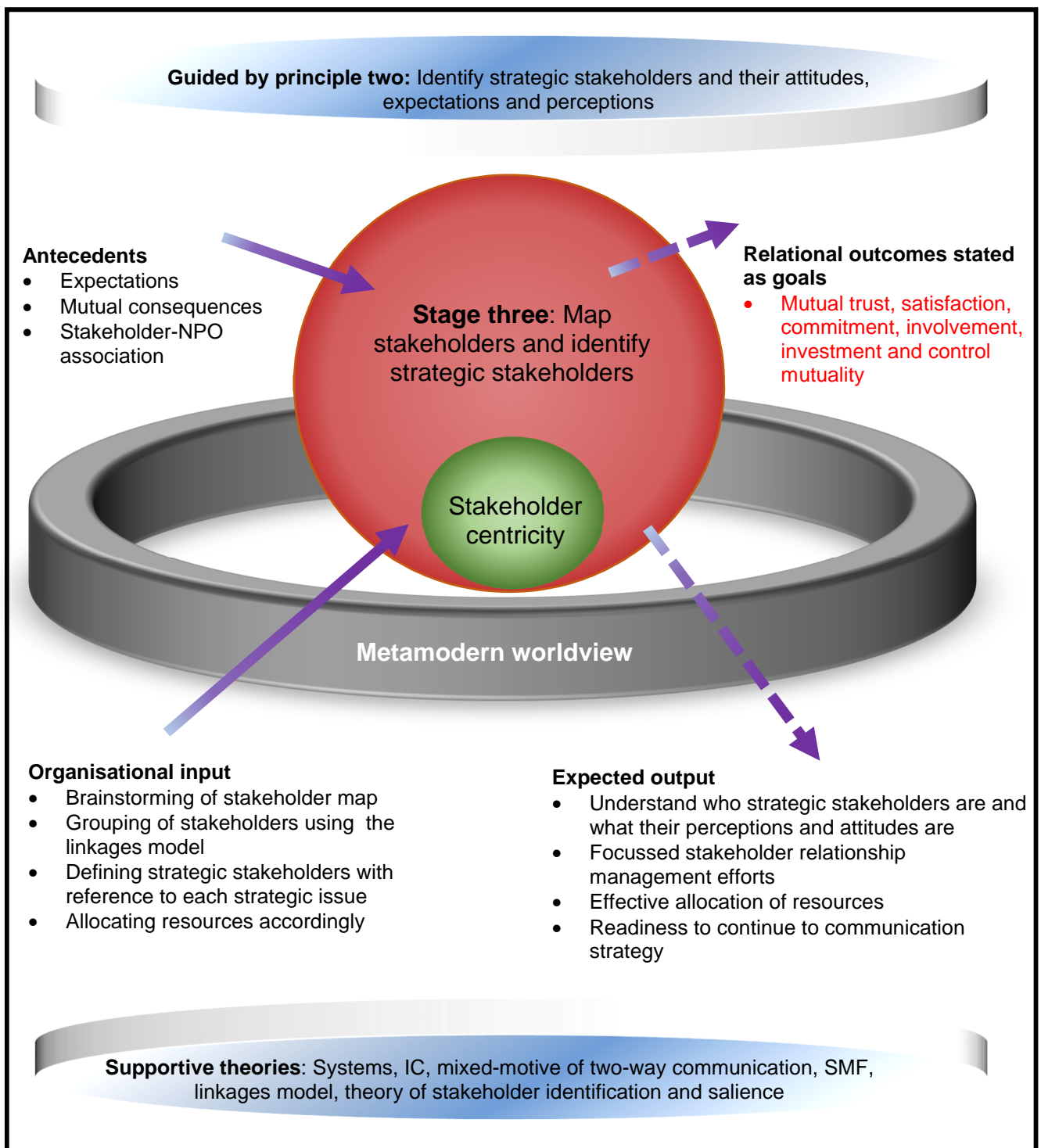
Stage three of the conceptual framework suggests that NPOs use Freeman's (1984) hub-and-spoke model to initially map all their stakeholders (including potential, latent and internal stakeholders), but that the process should then be refined by grouping these stakeholders according to their link to the organisation through applying Grunig and Hunt's (1984) linkages model. Six participants stated that they have formally identified their stakeholders, although none of them referred to potential, latent or internal stakeholders as part of their stakeholder map. Two participants referred to the process as stakeholder mapping and in the case of one of them, there seems to be some resemblance to Grunig and Hunt's (1984) linkages model in the sense that the stakeholders are grouped according to their link to the organisation such as a donor, a partner or a collaborator.

However, in spite of virtually all the participants agreeing that stakeholders' levels of influence and power determine how important (salient) they are to the organisation, no one has documented these levels of influence and power strategically, and no one has made a conscious effort to link these levels of influence and power to current strategic issues. Furthermore, it seems as if all formal stakeholder identification activities focus only on existing and known stakeholders, thus excluding potential, latent, and most importantly, internal stakeholders to a large extent. Only three participants spontaneously referred to employees as stakeholders. The proposal in stage three that Freeman's (1984) hub-and-spoke model and Grunig and Hunt's (1984) linkages model should be followed by Mitchell et al's (1997) theory of stakeholder identification and salience, is thus regarded as relevant. It is posited that by doing so, NPOs will be in a position to identify which stakeholders are salient and

therefore strategic by considering their levels of legitimacy, power and interests as they pertain to each identified strategic issue.

Stage three was verbalised as *map stakeholders and identify strategic stakeholders* and was built on the principle that effective strategic stakeholder relationship management requires the identification of strategic stakeholders, as determined by their attitudes, expectations and perceptions. Considering the data and the interpretation thereof, assumption three holds true and proposition three is accepted. Therefore, no amendments are made to stage three which is graphically illustrated in Figure 7.4. The detailed explanation of the various elements comprising stage three is discussed in Chapter 5.

STAKEHOLDER RELATIONSHIP MANAGEMENT **MODEL** FOR NPOs



**Figure 7.4: Stage three: Map stakeholders and identify strategic stakeholders**

Source: Researcher's own construct.

### 7.7.5 The implications of the findings for stage four of the conceptual framework

Theorists, as has been discussed before, agree that strategic and effective communication is key to successful stakeholder relationships (Crane, Matten & Spence 2008:134), and that “stakeholder management has become a question of managing sophisticated communications to stakeholders” (Christensen, Morsing & Cheney 2008:100). It was pointed out that Knapp and Vangelisti (1992:24) go so far as to state that “our communication behaviour is the very lifeblood of our relationships”, and that Bourne (2009:203) believes that communication is the only tool to build relationships with stakeholders.

The literature review revealed a general lack of qualified communication practitioners in the South African NPO environment, which raised the question of how “sophisticated” the communication efforts of the South African NPO sector are, and if they are aligned to their stakeholder relationship management strategies. From this followed the following assumption and proposition:

***Assumption four***

NPOs mostly lack formalised communication strategies and communicate on an ad hoc basis with stakeholders.

***Proposition four***

The successful implementation of communication strategies is key to effective stakeholder relationship management.

Assuming that most South African NPOs lack communication strategies resulted in research question 4 which was framed as:

***Research question 4:*** Are the communication strategies of the South African NPO sector linked to their stakeholder relationship management strategies?



The relationship between research question 4 (RQ4), the literature review and the data analysis, as well as the answer to the research question, is illustrated in Table 7.14.

**Table 7.14: Contextualising research question 4**

| <b>RQ4</b>   | <b>ADDRESSED BY</b>  | <b>ANSWER TO RQ4</b>   |
|--|--|--|
| Are the communication strategies of the South African NPO sector linked to their stakeholder relationship management strategies? | <ul style="list-style-type: none"> <li>• Literature review Chapters 3, 4 and 5.</li> <li>• Face-to-face semi-structured interview questions 19 to 25.</li> </ul> | <ul style="list-style-type: none"> <li>• No stand-alone stakeholder relationship management strategies were found, and only four participants confirmed that they have communication strategies, two of which are focussed on projects or initiatives only. It is therefore posited that no direct and intentional link exists between NPO communication strategies and stakeholder relationship management strategies.</li> </ul> |

Participants struggled to identify the link between a communication strategy and stakeholder relationship management strategy and replies varied from believing that it is not the same thing, to arguing that it is separate but intertwined, to declaring that there is no difference between the two. One participant commented that communication is part of stakeholder relationship management, and only one verbalised the notion that communication was a tool to build stakeholder relationships. Four participants confirmed that they have communication strategies, but when probing, it became clear that at least two of these are communication plans concentrating on information dissemination. The rest admitted that their communication with stakeholders was ad hoc and often reactive. In addition, these participants admitted that their communication efforts focus largely on information dissemination.

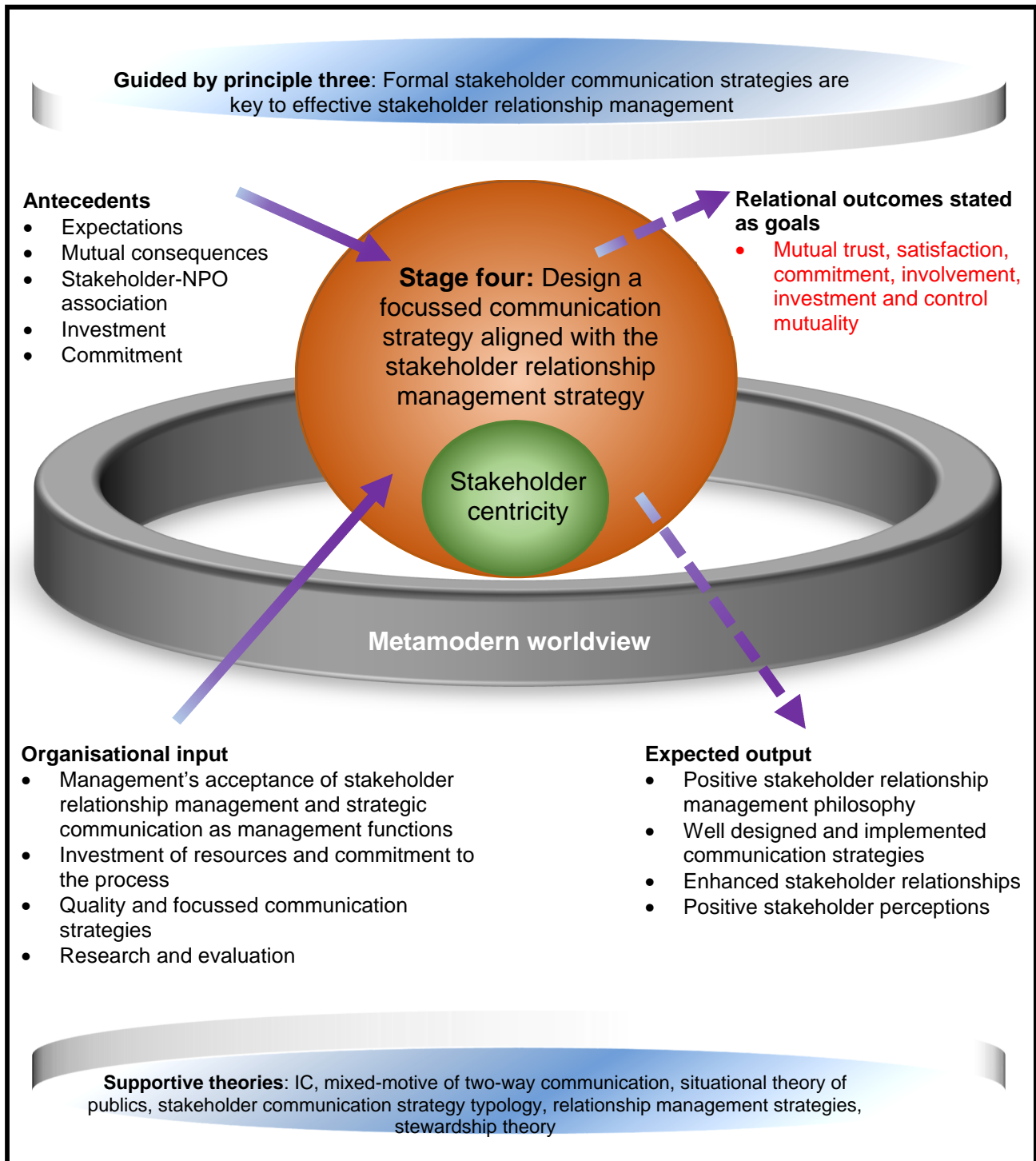
Participants did not display the same difficulty in identifying the link between communication and relationships and all agreed that it was critical, key and vital. A significant finding was that participants intuitively used terminology such as, *report*, *collaborate* and *partnering*, which can be compared to the terminology of *inform*, *consult*, *involve* or *partner* as they appear in Gregory's (2007) stakeholder

communication typology. It is posited that, although the participants never used these terminologies in the context of a communication strategy, NPO management intuitively regards not only *informing*, but also *consulting*, *involving* or *partnering* as important communication approaches. This finding strengthens the proposal in stage three, suggesting that Gregory's (2007) stakeholder communication typology would be useful in determining the appropriate communication approach with a stakeholder.

Despite a firm belief amongst participants in the strong link between communication and stakeholder relationships, no evidence of a strategic communication strategy directly linked to and in support of a stakeholder relationship management strategy, could be found.

Stage four was verbalised as *design a focussed communication strategy aligned with the stakeholder relationship management strategy*, and is supported by the principle that formal stakeholder communication strategies are key to effective stakeholder relationship management. Based on the findings as summarised, assumption four is regarded as correct, proposition four is accepted, and no amendments to stage four of the conceptual framework are deemed necessary. Chapter 5 contains the detailed explanation of the various elements comprising stage four which is graphically illustrated in Figure 7.5.

GRAPHIC ILLUSTRATION OF STAGE FOUR FOR A METAMODERN  
STAKEHOLDER RELATIONSHIP MANAGEMENT **MODEL** FOR NPOs



**Figure 7.5: Stage four: Design a focussed communication strategy**

Source: Researcher's own construct.

## **7.8 FROM A CONCEPTUAL FRAMEWORK TO A METAMODERN MODEL FOR STAKEHOLDER RELATIONSHIP MANAGEMENT FOR SOUTH AFRICAN NPOs**

Ackoff and Sasieni (1968:7) described a model as early as the 1960s as a “representation of reality”, and Pidd (2003:10) confirmed this when he defines a model as “an external and explicit representation of part of reality as seen by the people who wish to use that model to understand, to change, to manage and to control that part of reality”. A perspective on reality in the case of this study, was provided by the participants during the face-to-face semi-structured interviews. Accepting that it may be difficult to identify one’s own bias (Cooper & White 2012:12) and recognising emotional involvement as an intrinsic aspect and valid input of all research (Keegan 2006:671; Daymon & Holloway 2011:9), an effort was made to build a complex and holistic picture by objectively analysing words and reporting views of participants in detail (Creswell 2007:249). Accepting that the data may not represent the absolute truth and that insights were derived from the participants’ perspectives, it is nonetheless argued that the forgoing interpretation of the data paints a real picture of stakeholder relationship management practices in the chosen sample and possibly in the South African NPO sector. This reality consists of modernistic, structured business practices where governance issues such as financial reporting are taken seriously. It also consists of postmodern trends in which NPOs need to function in fairly unstructured and often chaotic environments with virtually no strategic direction as far as stakeholder relationship management is concerned.

This reality presented by the research participants supports the metamodern approach of the conceptual framework in which it is argued that, although presented in a linear fashion, stages one to four are not static, but dynamic and organic in nature and need to be revisited constantly. All four stages are embedded in the metamodern worldview of this study, allowing NPO managers flexibility and initiative, but simultaneously demanding structure and rigorous application.

To address the research problem that guided this study, research question 5 is framed as follows:

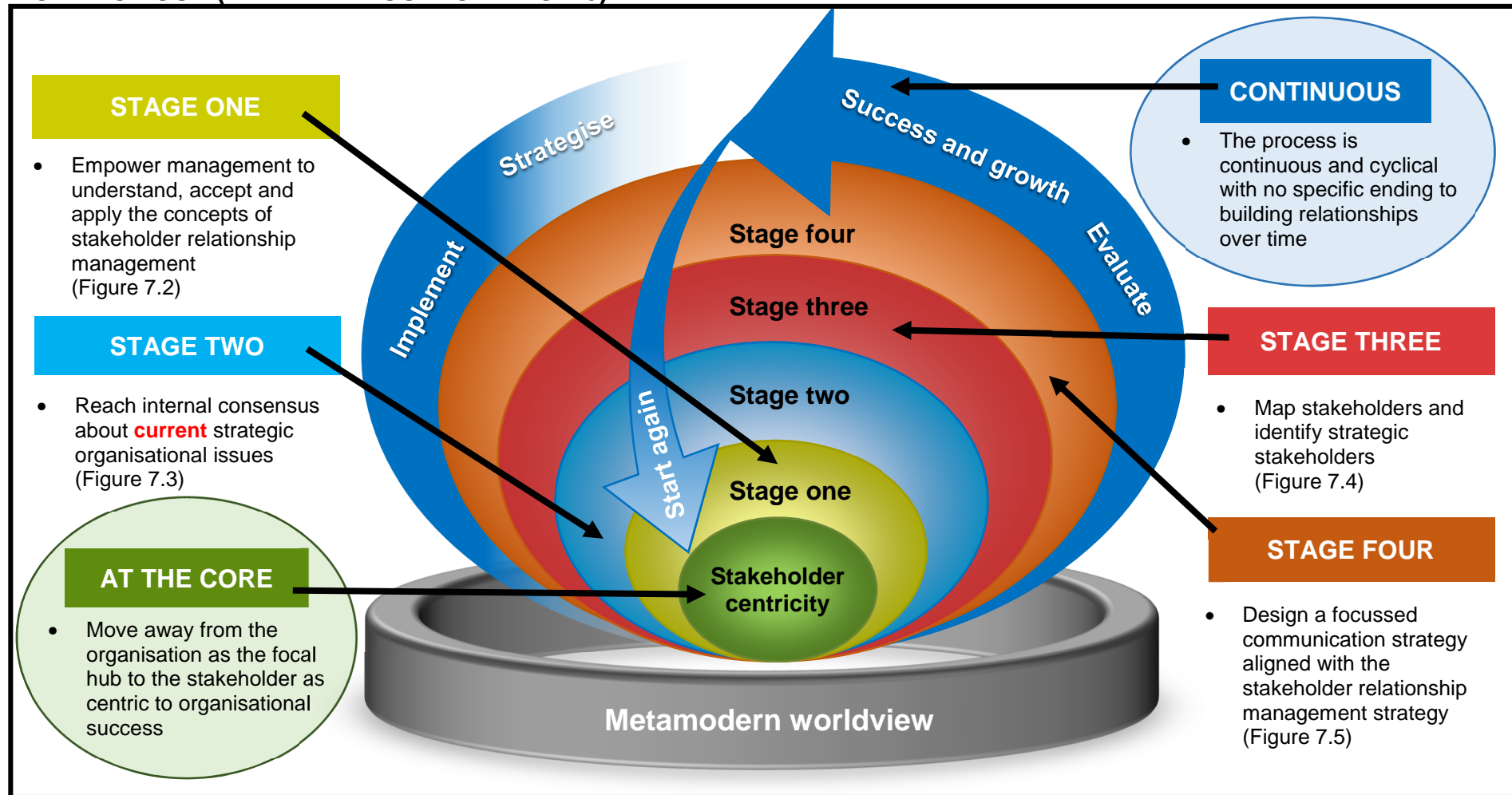
**Research question 5:** Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?

Initial insights suggested that smaller NPOs may find the conceptual framework too involved and complicated to implement, and that it may require more resources than what they have or could acquire. However, after interviews with participants from a number of small NPOs, the opposite proved to be true. Small NPOs were more enthusiastic about the conceptual framework than the larger NPOs and had a different and creative way of looking at obtaining resources. It is posited that, because small NPOs rely mostly on donors and volunteers to achieve organisational goals, they also believe that they would implement the model, including training and designing stakeholder relationship management and communication strategies, by relying on donations and volunteers. One participant confirmed this when she said that “we cannot spend more on resources, but we are resourceful”. It is therefore concluded that the proposed conceptual framework would work equally well for small and large NPOs.

Considering participants’ overwhelming positive response towards the proposed conceptual framework, the answer to research question 5 is thus a resounding yes.

Ultimately, the purpose of this study was to develop a metamodern model for stakeholder relationship management, aimed specifically at the South African non-profit sector, that could be implemented by NPO management in a practical manner. The interpretation of the data enabled certain amendments to the four stages of the conceptual framework which resulted in achieving this purpose - a metamodern stakeholder relationship management model for NPOs. Figure 7.6 presents a final dash-board and collapsed view of the four stages, their interrelatedness and the continuous nature of this cyclical process.

**A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs – A COLLAPSED VIEW OF STAGES ONE TO FOUR (DETAIL IN FIGURES 7.2 TO 7.5)**



**Figure 7:6 Collapsed view of the cyclical nature of stages one, two, three and four**

Source: Researcher's own construct.

## 7.9 CONCLUSION

This chapter represents the final phase of this research study. It discussed the research outcomes and illustrated how an interpretation of the data culminated in developing the conceptual framework for stakeholder relationship management for NPOs into a practical and workable model for the South African NPO sector.

The insights gained during the 16 face-to-face semi-structured interviews were interpreted according to the first five coding themes, namely: 1) knowledge and training pertaining to stakeholder relationship management, 2) management's role and philosophy towards stakeholder relationship management, 3) stakeholder identification and relationship attributes, 4) business strategy and stakeholder relationship management, 5) communication and stakeholder relationship management. The findings pertaining to coding themes, 6) relevance to theory and 7) relevance to metamodern worldview, were presented thereafter, since they cut across all of the first five coding themes.

It was illustrated that the assumptions guiding the design of the conceptual framework were accurate and the propositions following the assumptions were therefore accepted. The implications of the findings for each of the four proposed stages of the conceptual framework were discussed and applied to amend the various stages of the conceptual framework where needed.

Participants were overwhelmingly positive about the conceptual framework, and only minor amendments were necessary. Firstly, although implied, it was deemed important to illustrate that all relational outcomes should be mutual and in the interest of the organisation as well as the stakeholder, and this change was made to all four stages of the model. Secondly, it was reiterated in stage two of the model that NPOs should focus on **current** strategic issues (as opposed to strategic issues as indicated in stage two of the conceptual framework) when identifying the salience of their stakeholders and lastly, *NPO-stakeholder association* was added as an antecedent to stages one and two, since this aspect featured so strongly in the responses of the participants.



From the comments made by the participants, it was concluded that the metamodern worldview of this study is appropriate and that NPOs' activities and efforts oscillate between functioning in a modernistic business setting and a postmodern, unstructured and often chaotic environment. The integrated, organic and cyclical design of the conceptual framework was also affirmed by participants when they confirmed that they need a structured approach to stakeholder relationship management, but that it should not be a step-by-step approach.

The interpretation of the data resulted in the development of the conceptual framework for stakeholder relationship management for NPOs into a final metamodern model for stakeholder relationship management for South African NPOs, thus successfully addressing the research problem that prompted this study.

Although reading only this chapter will provide the reader with a good summary and comprehension of the content of this entire study, it is nonetheless recommended that it is regarded as only a component in the NPO stakeholder relationship management process, and that it should be read in conjunction with all the other chapters for a complete appreciation of the scope of the study.

There are, as in most research initiatives, some caveats in this study which need to be highlighted, but, at the same time, exciting opportunities for further research emerged. The next chapter will address both these issues, as well as illustrate the unique contribution of this study.



CHAPTER  
8

OVERVIEW, SCIENTIFIC CONTRIBUTION AND  
DIRECTIONS FOR FUTURE RESEARCH

*For communication to have meaning it must have a life. It must transcend "you and me" and become "us". If I truly communicate, I see in you a life that is not me and partake of it. And you see and partake of me. In a small way we then grow out of our old selves and become something new.*

(Prather 1977:21)

## 8.1 INTRODUCTION

Chapter 8 completes the research cycle by summarising the background and research problem that prompted the study. It contextualises the metamodern worldview adopted for the study, and provides a brief overview of the communication and stakeholder relationship management theories underpinning it. It illustrates how insights from practice advanced the conceptual framework into a metamodern stakeholder relationship management model for South African NPO stakeholder relationship management. The chapter concludes by illustrating the study's unique and scientific contributions to the academic disciplines of communication and stakeholder relationship management, highlighting its limitations and suggesting directions for future research.

Table 8.1 represents the structure of Chapter 8 which is the final chapter in phase three of the study (as indicated in Figure 1.1 in Chapter 1).

**Table 8.1: The structure of Chapter 8**

| TOPIC                           | DISCUSSION   |
|---------------------------------|--|
| Background and research problem | <ul style="list-style-type: none"><li>• Illustrating the background to the study and how it prompted the research problem.</li></ul> |
| Worldview of the study          | <ul style="list-style-type: none"><li>• Providing a brief overview of the metamodern worldview of the study in which both</li></ul>  |

## CHAPTER 8: OVERVIEW, SCIENTIFIC CONTRIBUTION AND DIRECTIONS FOR FUTURE RESEARCH

| TOPIC  | DISCUSSION  |
|--|---|
|  | modernism and postmodernism are accepted as relevant worldviews.  |
| Theories framing the study                       | <ul style="list-style-type: none"><li>Summarising the communication and stakeholder relationship management theories framing the study.</li></ul>   |
| Developing the conceptual framework into a model | <ul style="list-style-type: none"><li>Contextualising the four stages of the metamodern model for stakeholder relationship management for NPOs.</li></ul>   |
| Scientific contribution of the study             | <ul style="list-style-type: none"><li>Demonstrating how this study contributes to the disciplines of communication science and stakeholder relationship management with particular reference to the South African NPO sector.</li></ul> |
| Limitations of the study                         | <ul style="list-style-type: none"><li>Illustrating that the study is not without caveats.</li></ul>   |
| Directions for future research                   | <ul style="list-style-type: none"><li>Suggesting directions for future research emanating from the study.</li></ul>   |

This thesis was done in three phases. Chapter 1 provides an overview of what the study intended to achieve, and Chapter 2 contextualises the metamodern worldview of the study. Chapters 3, 4 and 5 document a thorough literature review of existing communication theories, stakeholder relationship management theories and approaches, as well as the current state of the South African NPO sector. Based on insights from the literature review, Chapter 5 concludes with a conceptual framework for stakeholder relationship management for South African NPOs and signals the end of phase one. Phase two consists of Chapter 6 which discusses the research methodology and design. Chapters 7 and 8 represent the final and third phase of the study. Chapter 7 indicates how the research data guided amendments to the conceptual framework in order to advance it to a final model, and Chapter 8 offers an overview of the study, including its limitations and unique scientific contributions. Figure 8.1 illustrates the relationship between the demarcated chapters.

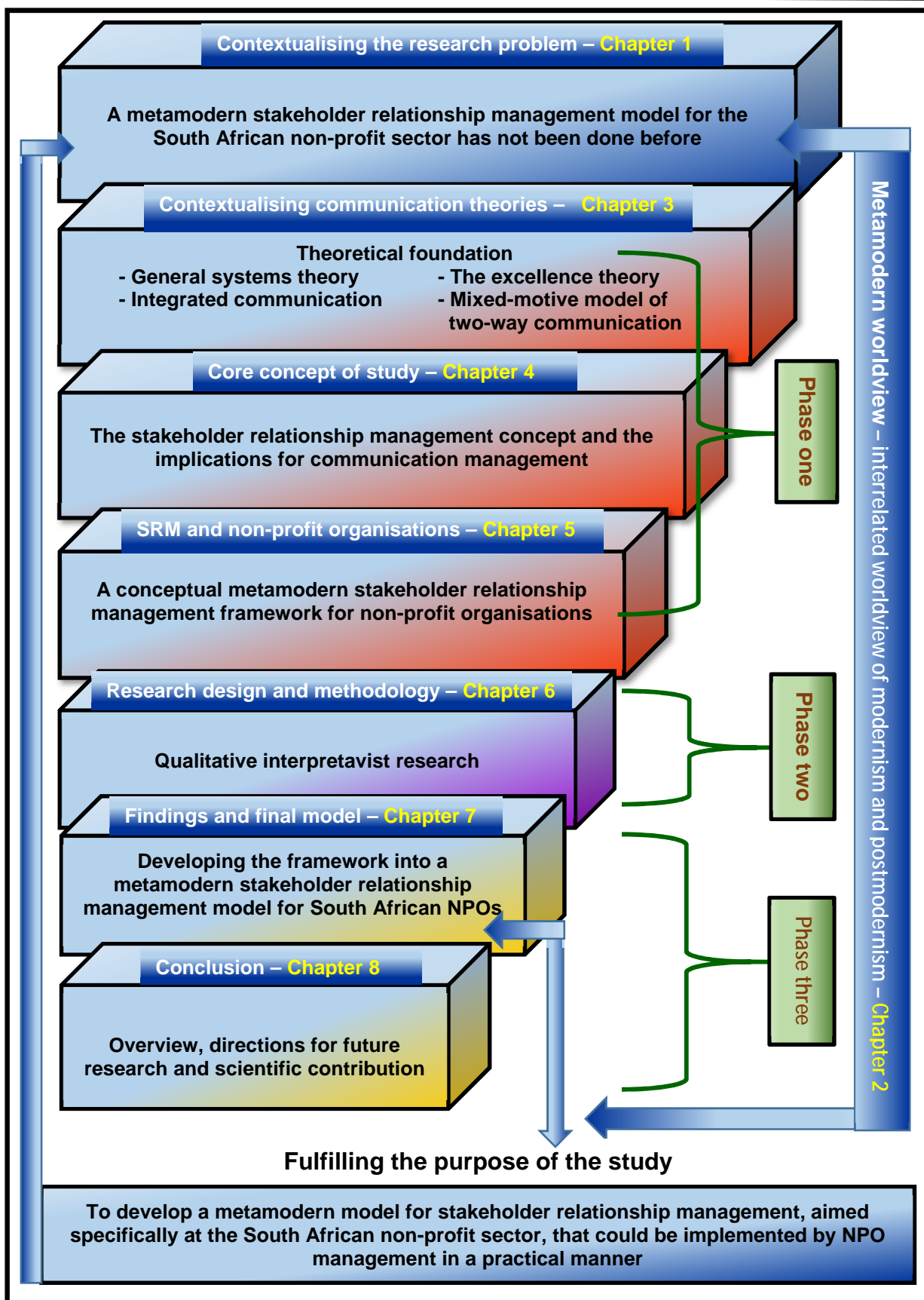


Figure 8.1: Relationship between the demarcated chapters

## 8.2 BACKGROUND AND RESEARCH PROBLEM

Participants of this research initiative agreed strongly with Wyngaard (2013) who contends that the non-profit sector plays an important role in the achievement of the socio-economic rights of South African citizens. This was reiterated by a participant's comment that the NPO sector is "what keeps this country going". The need for the services of the NPO sector is further emphasised by the impressive growth in South African NPO numbers over the past few years. However, despite the recognition of the importance of this sector, it is facing a crisis for survival. Not only does it have to cope with the global recession, increased corporatisation and competition, but also with a general lack of support, intangible funding criteria and reduced funding from government (Stuart 2013). Theorists agree that working together and building relationships with stakeholders will assist NPOs in negotiating these challenges, and Wyngaard (2013) suggests that it is "time to join hands". Patel (2012:615) concurs when stating that NPO leadership needs to realise the "synergies between public and private provision, foster reciprocal and co-operative relations between the parties and promote a common purpose".

Despite the acknowledgement from the NPO sector that strong relationships are key to achieving its organisational goals, there is an apparent lack of knowledge and strategic thinking pertaining to the concept of stakeholder relationship management. The King III and King IV Reports on Corporate Governance both contain a chapter on stakeholder relationship management as a governing principle, and the King committee clearly regarded this principle relevant to the NPO sector when they included the subsequent NPO supplements, stating that NPO survival depends on strong stakeholder relationships (IoDSA 2013:14;15). However, the same focus on stakeholder relationship management is not evident in the existing governance and ethical codes of the NPO sector.

Against this background, the purpose of this study was therefore to design a model for the management of stakeholder relationships that could be implemented by South African NPO management in a practical manner, and the research problem was formulated as:

A metamodern stakeholder relationship management model for the South African non-profit sector has not been done before.

Considering the complex and unpredictable environment in which the South African NPO sector has to function, it was acknowledged that a linear and modernistic approach to stakeholder relationship management would not be feasible and therefore a unique paradigm, namely metamodernism, was adopted as the worldview for this study.

### **8.3 WORLDVIEW OF THE STUDY**

Chapter 2 acknowledged postmodern communication theorists' opinions that traditional communication theories are modernistic and outdated and that new, creative communication research paradigms, in which modernism and postmodernism both play a role, have become necessary. It was argued that South African managers function mostly from a modernistic paradigm, but that their external environments reflect postmodernism. This dichotomy led to the metamodern worldview of this study, which denotes a view comfortable with negotiating and oscillating between modernism and postmodernism. Metamodernism does not reject either modernism or postmodernism, neither does it represent a compromise by simply taking what is believed to be the best of modernism or postmodernism in any specific situation. It is the construction of a workable, interrelated worldview, recognising the intimate relationship between modernism and postmodernism.

The research results confirmed the appropriateness of a metamodern worldview for this study. Virtually all participants expressed a modernistic desire for structure and order as far as their stakeholder relationship management efforts are concerned, but agreed at the same time that they operate in unpredictable, often chaotic, diverse, multicultural and postmodern societies.

The proposed metamodern model for NPO stakeholder relationship management accommodates both modernism and postmodernism in the sense that it is a

modernistic and planned approach, however allowing for unanticipated behaviour and events emanating from a complex and postmodern NPO environment.

It was therefore concluded that a metamodern worldview in which both modernism and postmodernism feature, would not only make it possible for NPO managers to understand and join the discussion on stakeholder relationship management, but also to implement the proposed metamodern model for NPO stakeholder relationship management.

## **8.4 THEORIES FRAMING THE STUDY**

From the metamodern perspective described, the so-called modernistic and outdated theories were deemed relevant and the systems theory, integrated communication and the mixed-motive model of two-way communication resulting from the excellence theory, frame this study.

### **8.4.1 The systems theory**

Although the systems theory is a traditional modernistic theory, it was argued that the adaptive model of open systems depends on and flourishes in the variety and disturbances in the environment. This postmodern characteristic of the adaptive open systems perspective, combined with the fact that it enables a successful organisation to effectively manage relationships within and between its own internal stakeholders as well as relationships with its external stakeholders, made it a relevant theory for this study. It was further argued that the emphasis on the importance of feedback from a systems approach, implies *mutual exchange of influence* in systems thinking, which makes the general systems theory particularly relevant to stakeholder relationship management with its strong focus on mutuality and influence.

Considering these characteristics, as well as the fact that South African NPOs, by their own admittance, operate in a combination of modernistic and postmodern environments, new systems thinking remained an attractive approach for stakeholder relationship management and was regarded as a fundamental theory for this study.

#### **8.4.2 Integrated communication**

The research results indicated that NPOs and their stakeholders do not always agree and often have different objectives, but that there was nevertheless a “like-mindedness” between NPOs and their stakeholders. It was therefore posited that they do have compatible worldviews which could be synchronised through the effective implementation of integrated communication (IC). A variety of IC definitions were presented in Chapter 3 and from them it is clear that the current understanding of IC has a two objectives in common; communication must be integrated in a cross-functional manner and across formal organisational boundaries, and effective integrated communication must lead to long-term, sustainable relationships with stakeholders which are beneficial to both the organisation and its stakeholders (Kliatchko 2005:23; Niemann 2005:30; Christensen et al 2008:424; Smith 2010:54; Angelopulo 2013:41; Barker 2013a:104).

Achieving the objectives of IC as stated above, would undoubtedly be beneficial to NPOs and their stakeholders, yet, the research results yielded virtually no evidence of conscious efforts in the South African NPO sector to integrate communication. This lack of reference to IC, in spite of its obvious benefits to the NPO sector, not only reiterates the appropriateness of including IC as a theory framing this study, but also highlights it as an area of potential exploration and development in the South African NPO sector.

#### **8.4.3 The mixed-motive model of two-way communication**

The principle of two-way communication, which is intrinsic to the excellence theory, is the excellence principle that has been the most debated and criticised, resulting in what Grunig (2001:25) refers to as “a new model of excellent two-way public relations”, namely the mixed-motive model. The mixed-motive model of two-way communication was developed with the premise that a symmetrical communication view will lead to a win-win situation for both the organisation and its stakeholders, and was therefore deemed relevant to this study.

Chapter 3 indicated that the key characteristics of two-way communication such as interdependency, openness, truthfulness, mutual understanding and a shared vision are fundamental to successful stakeholder relationship management. It was posited that the mixed-motive model of two-way communication is imperative for the implementation of effective NPO stakeholder relationship management strategies, since trust between an organisation and its stakeholders, is a result of effective two-way symmetrical communication.

In motivating the relevance of the mixed-motive model of two-way communication for this study, it was argued that all organisational employees have as much of an impact on public relations as the practitioners responsible for this task. Considering the lack of public relations or communication practitioners in the South African NPO environment, as confirmed by the research results, this argument is of particular importance to the NPO sector. It is preferable for two-way communication processes to be strategically managed by professional communication practitioners in organisations. However, not only do South African NPOs not always have professional communication practitioners at their disposal, but all employees are, often inadvertently, busy with cultivating relationships with stakeholders. It was therefore posited that effective two-way communication strategies are possible in NPOs without the services of full-time professional communication practitioners, providing that NPO senior management accepts the responsibility for strategic two-way communication processes and regards it as essential in building relationships with stakeholders.

#### **8.4.4 Stakeholder relationship management theories and approaches**

Chapter 4 provided an overview of the origin and subsequent historical development of the stakeholder concept. It discussed the implications of these developments for communication management, and illustrated that the functions of stakeholder relationship management and communication management cannot be regarded as the sole responsibility of an individual in an organisation, but that management should accept responsibility for these disciplines as management functions. After analysing the current state of the South African NPO sector, a range of stakeholder relationship management theories and approaches were selected as appropriate for the South



African NPO sector. Avoiding unnecessary repetition, each of these theories and approaches will not be deliberated again, but a brief summary is provided.

The principle that a clear understanding and a uniform organisational worldview of stakeholder relationship management are necessary in an organisation before the concept can be applied effectively, guided the choice of the relevant stakeholder relationship approaches to stakeholder relationship management practises in the South African NPO sector. The stewardship theory (Donaldson & Davis 1989), descriptive, instrumental and normative theory (Donaldson & Preston 1995), relationship management theory (Ledingham & Bruning 1998), communicative theory of the firm (Koschmann, Pfarrer & Kuhn 2009) and the network theory of stakeholder influences (Rowley 1997) were deemed appropriate. It was argued that managers intuitively take ownership of stakeholder relationships as suggested by the stewardship theory, and that from a metamodern perspective, the stakeholder relationship management theory is at the same time descriptive (describing how managers actually behave when dealing with stakeholders), instrumental (what will happen if managers behave in a certain manner) and normative (what should happen and what is the ideal). In line with the relationship management theory, it was argued that management should accept that communication is a strategic tool in establishing and sustaining stakeholder relationships, and that everything they say and do (or do not say or do) communicates, since organisations *are* communication. Lastly, according to the network theory of influences, NPO management should accept that they do not operate in silos, but that they and their organisations are embedded in networks as much as stakeholders are tied to each other. An analysis of the data emanating from the face-to-face semi-structured interviews as contextualised in Chapter 7, confirmed the appropriateness of all these theories.

The extensive focus on stakeholder identification techniques in the literature (Freeman 1984; Grunig & Hunt 1984; Savage, Nix, Whitehead & Blair 1991; Grunig 1992; Clarkson 1995; Mitchell et al 1997; Frooman 1999; Rowley & Moldoveanu 2003) supports the argument that effective stakeholder relationship management is highly unlikely without the identification of strategic stakeholders. The selection of strategic stakeholder identification techniques appropriate for the South African NPO sector hinges on the principle that the identification of strategic stakeholders, including their

attitudes, expectations and perceptions, constitutes a key component of a stakeholder relationship management strategy. It was therefore suggested that NPOs should start with Freeman's (1984) hub-and-spoke stakeholder mapping, then group the stakeholders according to their link to the organisation by employing Grunig and Hunt's (1984) linkages model, whereafter Mitchell et al's (1997) stakeholder identification salience technique should be applied to determine stakeholders' power, legitimacy and degree of urgency pertaining to specific strategic issues. The research results indicated that a limited number of NPOs mapped their stakeholders in a manner similar to Freeman's hub-and-spoke model, but only one NPO grouped these stakeholders according to their link to the organisation, although not by using the terminology found in Grunig and Hunt's (1984) linkages model. Elements of Mitchell et al's (1997) stakeholder identification and salience theory featured in the manner in which NPO management identifies stakeholders, but there was no evidence of their consciously and proactively identifying strategic stakeholders by considering stakeholders' power, legitimacy and degree of urgency pertaining to specific strategic issues. These results support the need for a focussed approach in identifying strategic NPO stakeholders through the application of the mentioned techniques.

Concurring with Koschmann (2007:22) that communication with strategic stakeholders and sharing meaning with them will assist NPOs in communicating success stories and strengthening their relationships with stakeholders, it was argued that formal stakeholder communication strategies are key to effective stakeholder relationship management. This principle guided the selection of techniques that could assist the South African NPO sector in designing such communication strategies. Firstly, it was suggested that NPOs should determine why certain stakeholders are more actively involved in certain issues than others by using the variables of problem recognition, level of involvement and constraint recognition as suggested by the situational theory of publics (Grunig 1992). Once the level of power, legitimacy and level of involvement is known, Gregory's (2007) stakeholder communication strategy typology will assist NPOs in deciding which communication strategy would be applicable to which stakeholder grouping. Thereafter, a combination of Hon and Grunig's (1999) relationship management strategies with elements of the stewardship theory will encourage NPOs to build and sustain relationships with stakeholders by being accessible, positive, open and assuring, as well as through networking and the sharing

of tasks. The complete lack of formal communication strategies in support of stakeholder relationship management strategies amongst the researched NPOs, strengthens the argument that the mentioned techniques would assist South African NPOs in designing stakeholder communication strategies, and in building and sustaining stakeholder relationships.

The three principles discussed, formed the foundation of the design of the metamodern model for stakeholder relationship management for NPOs. The key findings relating to the research questions, confirmed the relevance of each stage.

## 8.5 KEY FINDINGS – ANSWERING THE RESEARCH QUESTIONS

The key findings resulting from the face-to-face semi-structured interviews with CEOs and senior management from South African NPOs served to answer the research questions asked in Chapter 1, successfully. The answers to the research questions were discussed in detail in Chapter 7, but a brief summary of the answers pertaining to each research question, is provided.

**Research question 1:** How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?

**Finding:** Managers in the South African NPO sector have some level of awareness, but very little academic knowledge of and no formal training in the concepts of stakeholder relationship management as a scientific communication practice and a governing principle.

**Research question 2:** Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?

**Finding:** Should the NPO have a stakeholder relationship management strategy, it is aligned with the organisation's business strategy. The existence of a stakeholder relationship management *strategy*, however, is rare and NPOs mostly align stakeholder relationship management *activities* with their business strategies. Stakeholders and stakeholder relationship management strategies are not linked to

current strategic organisational issues, but rather approached from a macro perspective.

**Research question 3:** How do South African NPO managers determine the salience of stakeholders in order to identify strategic stakeholders?

**Finding:** NPO managers do not determine the salience of their stakeholders by continuously linking them to strategic issues and it is mostly done on an ad hoc basis.

**Research question 4:** Are the communication strategies of the South African NPO sector linked to their stakeholder relationship management strategies?

**Finding:** NPO communication strategies, should they exist, are not purposefully linked to stakeholder relationship management strategies.

**Research question 5:** Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?

**Finding:** All the interview participants confirmed that the proposed metamodern framework for NPO stakeholder relationship management would be usable in practice, which allowed the development of the proposed framework into a final metamodern model for stakeholder relationship management for non-profit organisations.

## 8.6 DEVELOPING THE CONCEPTUAL FRAMEWORK INTO A MODEL

The proposed metamodern model for stakeholder relationship management for NPOs consists of four stages. An extensive literature review and the research initiatives of other scholars led to a number of assumptions and propositions which in turn guided the construction of the original conceptual framework. The findings emanating from the face-to-face semi-structured interviews with CEOs and senior management from South African NPOs enabled amendments to the conceptual framework and advanced it into a final model. The model consists of four stages which are all supported by an underlying principle. Relevant relational antecedents are indicated at each stage, as well as the input needed from the organisation in order to comply with this stage, and the anticipated outputs should the organisation succeed in executing the input tasks. Each stage also specifies which relational outcomes could be expected after

successful implementation of this stage as well as which theories form the foundation of the reasoning behind the design of the stage.

Although these four stages are presented in a modernistic and linear fashion, it is accepted that NPOs operate in postmodern and unpredictable environments and that these stages are in reality not linear and sequential, but rather imbedded into one another. It implies that an NPO could work simultaneously on any of the stages, return to any of the stages at any point in time, or even start over when needed. This characteristic of the model resonates with the metamodern worldview of the study. The key findings relating to the research questions, as summarised in 8.4, confirmed the relevance of each stage of the model.

Firstly, the research results revealed that senior NPO managers, including those responsible for the organisation's communication function, have no formal training in the concepts of stakeholder relationship management. Stage one of the model addresses this shortcoming by suggesting continuous stakeholder relationship management training.

Secondly, the research results indicated that NPOs mostly have strategic business plans and that their stakeholder relationship management activities are linked to these business plans. However, these business plans are generally designed from macro-perspectives and stakeholders are not linked to current strategic issues. Stakeholders therefore become involved by default, and not proactively and strategically when such issues emerge. Stage two of the model suggests that NPOs should adopt a micro-perspective by regularly identifying current strategic issues and by reaching internal consensus on what these issues are.

Stage three of the model proposes that the successful implementation of stage two would make it possible to identify strategic stakeholders proactively, and to link them to current strategic issues. The research results indicated that a limited number of NPOs map their stakeholders broadly, but that none of them identify strategic stakeholders by continuously linking them to current strategic issues, confirming the relevance of stage three.

Finally, it was found that NPO communication strategies, should they exist, are not linked to stakeholder relationship management strategies or designed in support of such a strategy. Stage four of the model addresses this by suggesting the design of a focussed communication strategy aligned with, and in support of, the stakeholder relationship management strategy.

Table 8.2 provides a brief overview of the four stages of the proposed model, illustrating the components relevant to each stage, but a detailed description of the final model, including the amendments, can be found in Addendum E.

Table 8.2: An overview of the metamodern model for stakeholder relationship management for NPOs

| STAGES  | UNDERLYING PRINCIPLE   | RELATIONAL ANTECEDENTS   | ORGANISATIONAL INPUT   | EXPECTED OUTPUT  | RELATIONAL OUTCOMES  | FUNDAMENTAL THEORIES   |
|---|--|--|--|--|--|--|
| <b>Stage one</b><br>Empower management to understand, accept and apply the concepts of stakeholder relationship management. | <b>Principle one</b><br>Establish a clear understanding and uniform organisational worldview of stakeholder relationship management. | <ul style="list-style-type: none"> <li>• Mutual consequences</li> <li>• Stakeholder-NPO association</li> <li>• Investment</li> <li>• Commitment</li> </ul> | <ul style="list-style-type: none"> <li>• Board-level agreement.</li> <li>• Introducing and implementing formal training programmes for managers.</li> <li>• Establishment of a stakeholder relationship management forum.</li> <li>• Research and evaluation.</li> </ul> | <ul style="list-style-type: none"> <li>• Positive stakeholder relationship management philosophy and empowered management.</li> <li>• Key performance indicators to include stakeholder relationship management.</li> <li>• Formal stakeholder relationship management strategies and organisation-wide participation.</li> <li>• Continuous research and evaluation.</li> </ul> | <ul style="list-style-type: none"> <li>• Mutual trust, satisfaction, commitment, involvement, investment and control mutuality.</li> </ul> | <ul style="list-style-type: none"> <li>• Integrated communication</li> <li>• Mixed-motive two-way communication</li> <li>• The stewardship theory</li> <li>• The communicative theory of the firm</li> <li>• The network theory of influences</li> <li>• Relationship management strategies</li> <li>• The descriptive, instrumental and normative theory</li> </ul> |
| <b>Stage two</b><br>Reach internal consensus about current strategic organisational issues.                                 | <b>Principle one</b><br>Establish a clear understanding and uniform organisational worldview of stakeholder                          | <ul style="list-style-type: none"> <li>• Mutual consequences</li> <li>• Stakeholder-NPO association</li> <li>• Investment</li> <li>• Commitment</li> </ul> | <ul style="list-style-type: none"> <li>• Management consensus.</li> <li>• Relook business strategy.</li> <li>• Prioritise current strategic issues.</li> </ul>   | <ul style="list-style-type: none"> <li>• Organisation-wide agreement on current strategic issues and relational outcomes.</li> </ul>   | <ul style="list-style-type: none"> <li>• Mutual trust, satisfaction, commitment, involvement, investment and control mutuality.</li> </ul> | <ul style="list-style-type: none"> <li>• The systems theory</li> <li>• Integrated communication</li> <li>• The network theory of influences</li> </ul>   |

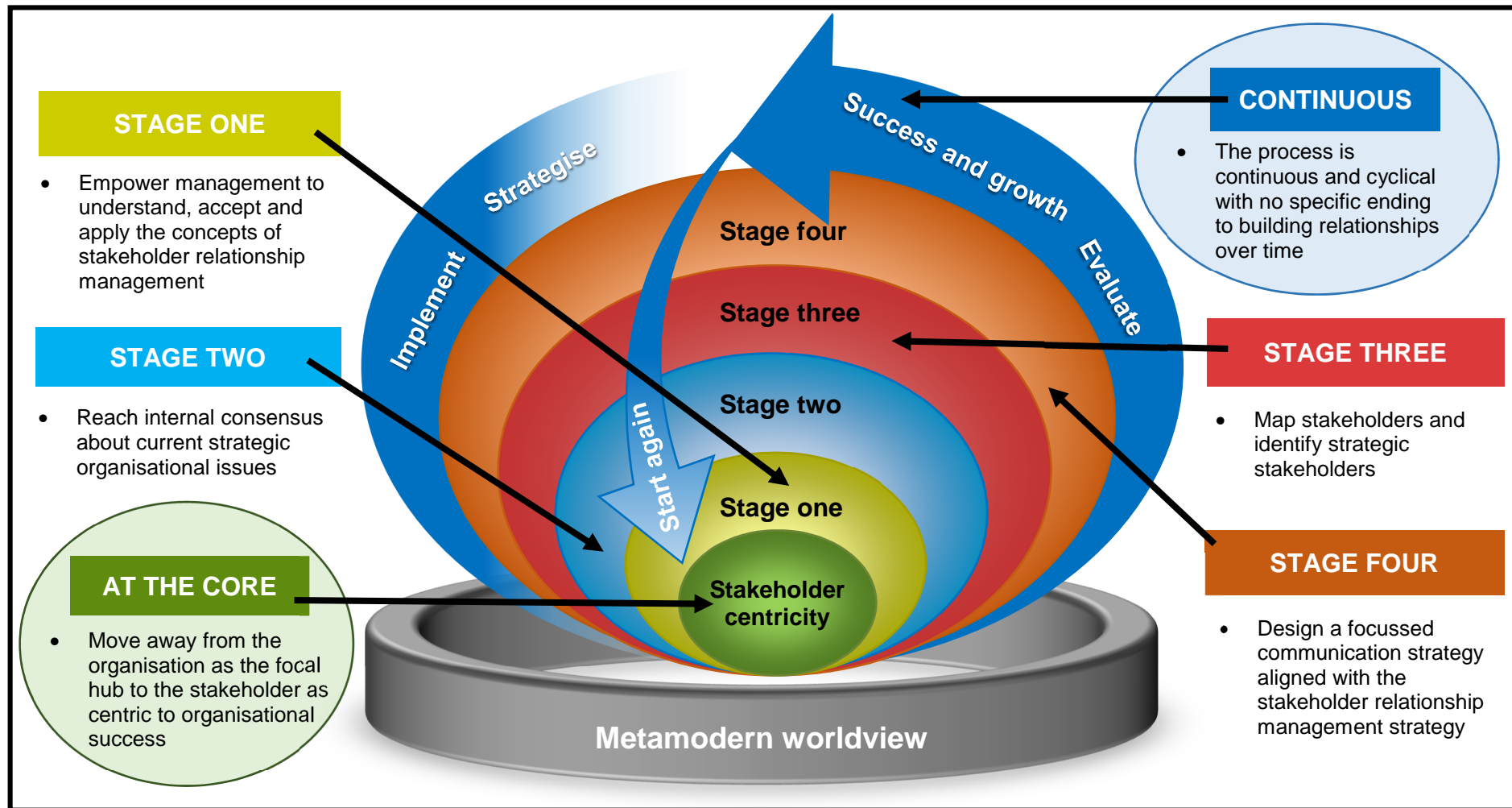
| STAGES  | UNDERLYING PRINCIPLE   | RELATIONAL ANTECEDENTS   | ORGANISATIONAL INPUT  | EXPECTED OUTPUT  | RELATIONAL OUTCOMES  | FUNDAMENTAL THEORIES  |
|---|--|--|---|--|--|---|
|   | relationship management.   |  | <ul style="list-style-type: none"> <li>• Formalise relational outcomes as goals.</li> <li>• Inclusion of stakeholder relationship management forum.</li> </ul>  | <ul style="list-style-type: none"> <li>• Coordinated effort to resolve current issues.</li> <li>• Stakeholder relationship management strategy aligned with business strategy and current strategic issues.</li> <li>• Management of stakeholders' perceptions based on their interest in current strategic issues.</li> </ul> |  | <ul style="list-style-type: none"> <li>• The situational theory of publics</li> </ul>   |
| <b>Stage three</b><br>Map stakeholders and identify strategic stakeholders. | <b>Principle two</b><br>Identify strategic stakeholders and their attitudes, expectations and perceptions. | <ul style="list-style-type: none"> <li>• Expectations</li> <li>• Mutual consequences</li> <li>• Stakeholder-NPO association</li> </ul> | <ul style="list-style-type: none"> <li>• Brainstorming of stakeholder map.</li> <li>• Grouping of stakeholders using the linkages model.</li> <li>• Defining strategic stakeholders with reference to each strategic issue.</li> <li>• Allocating resources accordingly.</li> </ul> | <ul style="list-style-type: none"> <li>• Understand who strategic stakeholders are and what their perceptions and attitudes are.</li> <li>• Focussed stakeholder relationship management efforts.</li> <li>• Effective allocation of resources.</li> <li>• Readiness to continue to</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Mutual trust, satisfaction, commitment, involvement, investment and control mutuality.</li> </ul> | <ul style="list-style-type: none"> <li>• The systems theory</li> <li>• Integrated communication</li> <li>• Mixed-motive two-way communication</li> <li>• Stakeholder management framework</li> <li>• The linkages model</li> <li>• The theory of stakeholder</li> </ul> |



| STAGES   | UNDERLYING PRINCIPLE  | RELATIONAL ANTECEDENTS   | ORGANISATIONAL INPUT  | EXPECTED OUTPUT   | RELATIONAL OUTCOMES  | FUNDAMENTAL THEORIES   |
|--|---|--|---|---|--|--|
|  |   |  |   | communication strategy.   |  | identification and salience  |
| <b>Stage four</b><br>Design a focussed communication strategy aligned with the stakeholder relationship management strategy. | <b>Principle three</b><br>Formal stakeholder communication strategies are key to effective stakeholder relationship management. | <ul style="list-style-type: none"> <li>• Expectations</li> <li>• Mutual consequences</li> <li>• Stakeholder-NPO association</li> <li>• Investment</li> <li>• Commitment</li> </ul> | <ul style="list-style-type: none"> <li>• Management's acceptance of stakeholder relationship management and strategic communication as management functions.</li> <li>• Investment of resources and commitment to the process.</li> <li>• Quality and focussed communication strategies.</li> <li>• Research and evaluation.</li> </ul> | <ul style="list-style-type: none"> <li>• Positive stakeholder relationship management philosophy.</li> <li>• Well designed and implemented communication strategies.</li> <li>• Enhanced stakeholder relationships.</li> <li>• Positive stakeholder perceptions.</li> </ul> | <ul style="list-style-type: none"> <li>• Mutual trust, satisfaction, commitment, involvement, investment and control mutuality.</li> </ul> | <ul style="list-style-type: none"> <li>• Integrated communication</li> <li>• Mixed-motive two-way communication</li> <li>• The situational theory of publics</li> <li>• Stakeholder communication strategy typology</li> <li>• Relationship management strategies</li> <li>• The stewardship theory</li> </ul> |

Figure 8.1 on the following page represents a collapsed dashboard view of the continuous, cyclical and imbedded nature of the model.

A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs – A COLLAPSED VIEW OF STAGES ONE TO FOUR



**Figure 8.2: Collapsed view of the cyclical nature of stages one, two, three and four**

Source: Researcher's own construct.

## 8.7 SCIENTIFIC CONTRIBUTION OF THE STUDY

This study yielded a number of noteworthy contributions to both the bodies of knowledge of communication science and stakeholder relationship management.

The most significant contribution of the study is the application of a metamodern worldview, emanating from a reluctance to choose between a modern or postmodern stance when discussing communication science and stakeholder relationship management practices. Researchers have proved that modernism is well and alive in the South African business environment (Holtzhausen 2000:93-95; Ströh 2009:216; Shapiro 2013:99), yet communication theorists severely critique the modernistic communication theories traditionally applied to the study of this discipline (Woods 1999:227; Holtzhausen 2000:100; Holtzhausen 2008:26; Ströh 2009:216) and suggest alternative and creative paradigms (Stewart 1991:372; Ströh 2005:239). Although Overton-de Klerk and Verwey (2013:378) came close when they argued in favour of new and creative paradigms in communication research in which both modernism and postmodernism play a role, a metamodern worldview has seemingly not been applied to the study of communication science or stakeholder relationship management.

This study could therefore be regarded as the first to apply a metamodern worldview to these disciplines in which it is acceptable to oscillate between modernism and postmodernism. Senior NPO management participating in this research initiative confirmed the applicability of a metamodern worldview when they agreed that their internal business environments are mostly modernistic, but that they have to operate in postmodern, unstructured and often chaotic external environments. They furthermore validated the metamodern and organic characteristic of the proposed metamodern model for NPO stakeholder relationship management when they indicated that they needed a structured approach to designing stakeholder relationship management strategies, but that it could not be a step-by-step approach because of their ever-changing environments. A metamodern worldview negates the necessity to destroy one paradigm in favour of another, and accepts that a balance between modernism and postmodernism is a workable solution in communication science and stakeholder relationship management practices.

The second unique contribution of this study is the introduction of a workable metamodern model for stakeholder relationship management for the South African NPO sector. Prior to this study, a model for stakeholder relationship management for the South African NPO sector did not exist and the research results indicated that the concept of stakeholder relationship management as a strategic imperative is neglected in the NPO sector and not regarded as a necessary governing principle. However, in spite of this, senior management in NPOs regard relationships as key to their organisational success. The conceptual framework designed to address this shortcoming in the NPO sector, was tested amongst NPO senior managers and adapted to a level acceptable to them. It is therefore believed to be practical and of value to the South African NPO sector. The model features a number of unique qualities:

- The inclusion of training as the first stage in a stakeholder relationship management model points to the unique contribution of this study, since no other framework or model found in the literature specifies this as a necessary component.
- The model necessitates a micro-perspective in identifying strategic stakeholders and macro-perspective stakeholder relationship management strategies are discouraged. This implies that stakeholders should be linked continuously to emerging strategic issues, and that the stakeholder relationship management strategy is not a once-off exercise executed at the beginning of the year, but something that should be monitored and adapted continuously.
- The model argues that all stakeholders are equal, but that not all stakeholders deserve equal attention all the time. It moves away from the notion of primary and secondary stakeholders, since it argues that stakeholders fluctuate between being primary or secondary based on their interest in a situation, which could increase or decrease at any point in time.
- Research participants were in agreement with the proposed relational outcomes of mutual trust, satisfaction, commitment, involvement, investment and control mutuality. However, these were not identified as organisational goals and nowhere in the literature is it suggested that organisations specify relational outcomes as goals. This implies that relational outcomes are merely regarded as a result of a successful relationship and occur by default. The model, however, suggests that

relational outcomes of mutual trust, satisfaction, commitment, involvement, investment and control mutuality should be stated as specific goals to work towards. It argues that this approach will not only guide the stakeholder relationship management strategy and activities, but would make it possible to evaluate and measure its success.

The introduction of the King Report on Corporate Governance into the NPO sector's stakeholder relationship management practices can also be regarded as a significant contribution. Although the King Report on Corporate Governance and its supplements aimed at the NPO sector were not the focus area of this study, stakeholder relationship management was nevertheless regarded as a governing principle for which the NPO board and senior management should take responsibility, as suggested by the King Committee.

The novel approach of this study to the corporate communication (or public relations) function in the NPO sector, points to a unique contribution to the body of communication science. Several studies (Wiggill 2009:87; Holtzhausen 2014:291), including this one, have proved that NPOs in South Africa mostly function without the services of professional in-house communication practitioners and a limited number make use of external communication agencies. The absolute truth and metanarratives from a modernistic paradigm could lead to the belief that an organisation without a formal public relations department or professional public relations practitioner, can never have excellent public relations programmes. However, a postmodern perspective has a more organic worldview of management and argues that organisations should question what they believe untouchable (Ströh 2009:204). When a metamodern worldview is applied to the excellence theory, it is posited that excellent public relations could be practised by organisations without formal public relations departments or professional public relations practitioners, provided they respect the principles of the excellence theory. Thus, in an ideal world, NPOs should make use of professional communication practitioners executing the principles of the excellence theory, but in this study, it is posited that management in NPOs without professional communication practitioners, could apply these principles resulting in excellent communication strategies. This argument also resonates with the view that communication and stakeholder relationship management are management functions.

Ferguson (1984:216-237) suggested as early as 1984 that organisations should develop a stakeholder management structure in which each functional unit, business unit or division would appoint a stakeholder manager responsible for a specific group of stakeholders. She argues that the communication manager (or external affairs manager as she refers to them) should fulfil a boundary spanning role, identify current and new issues, and feed this information to stakeholder managers in the relevant functional units. According to her, the involvement of divisional stakeholder managers is important, since a communication manager might be able to negotiate with stakeholders, but will seldom have the authority to make decisions on behalf of functional units. It was argued that Ferguson's argument has far-reaching implications for the NPO sector with its lack of communication professionals, which resonates with this study's view that NPO management should upskill themselves and take responsibility for the stakeholder relationship management function, and by implication, the communication function.

Ströh (2005:241) questions whether relationships can be managed through corporate communication strategies. This study does not regard communication strategies as a means to manage relationships, but rather to manage the communication between the organisation and its stakeholders. A communication strategy is therefore designed in support of the stakeholder relationship management strategy and represents the last stage of the model for stakeholder relationship management for NPOs. It discourages information dissemination only, and suggests that communication should become more intimate and personal as stakeholders' interest in and power over a strategic issues increase. In this manner communication moves away from "what should we say?" and "how should we say it?" to "what should we do?" Thus, a communication evolution from *informing* through to *consulting*, *involving* and *partnering*, as suggested by Gregory (2007:66-67), becomes entrenched in the stakeholder relationship management strategy.

The final scientific contribution of this study is the metamodern view that not only trustworthiness, but also the validity and reliability of the data, should be tested. It was argued that paralleling the positivist criteria of rigour with the naturalistic criteria of trustworthiness, represents a perfect example of oscillation between modernism and postmodernism. Whereas most researchers motivate a decision to choose between

these two possibilities, this study used both Lincoln and Guba's (Guba 1981:80; Lincoln & Guba 2000:163) criteria for assessing the trustworthiness of the data and findings, as well as Morse et al's (2002:13) verification strategies for establishing the reliability and validity of the study.

## **8.8 LIMITATIONS OF THE STUDY**

As with all research studies, this study is not without its limitations and the following caveats apply:

- The findings of the study cannot be generalised to the entire NPO sector in South Africa, since the sample was purposive, convenient and relatively small. It only consisted of registered NPOs, PBOs, NPCs and/or Trusts based in Gauteng and the researcher did not interview participants in any other province. The participating organisations, however, operated not only locally, but many of them were involved in national initiatives, thus suggesting that the findings may be applicable to the NPO sector in other provinces, and not only to those based in Gauteng.
- It is estimated that more than 50 000 unregistered NPOs operate in South Africa and the fact that only registered NPOs participated in the study, may therefore be seen as a limitation.
- Although it was foreseen and assumed that senior management in the NPO sector would have limited knowledge about the stakeholder relationship management concept, this limited knowledge may be regarded as a limitation, since a number of participants struggled to answer certain research questions. At the same time, however, it confirmed the assumption made by the researcher and in the process, validated a number of propositions as well as stage one of the model.
- The seemingly linear approach of the model could be regarded as unrealistic by the NPO sector should they fail to understand that, although presented in a sequential manner, the model is in reality organic and circular.
- In the light of limited resources, smaller NPOs may regard the model as too involved and complicated to implement. They should however be made aware that not only can the model be simplified, but external volunteers can be employed to train NPO management and assist them in implementing the model, as some NPOs have indeed suggested.

- Non-profit organisations (NPOs), non-profit companies (NPCs), public-benefit organisations (PBOs) and Trusts were all included in the research sample, and some of the participating organisations were registered as all of these. These variations in business models may be regarded as a limitation and the question arises if the model is equally applicable to these different types of civil society organisations.

## **8.9 DIRECTIONS FOR FUTURE RESEARCH**

Despite its limitations, this study highlighted a number of possible directions for future research.

Firstly, the applicability of metamodernism as a new and creative paradigm in communication science, warrants further investigation and can be tested in all areas of communication and stakeholder relationship management research.

Secondly, regardless of the King committee's insistence that the King Report on Corporate Governance is applicable to the NPO sector, the research results indicated that senior management in the South African NPO sector has very limited knowledge of the governing principles contained in the King Report on Corporate Governance. Therefore, by implication, they do not regard stakeholder relationship management as a governing principle. This arguably warrants a research initiative in determining how, if at all, the content of the King Report on Corporate Governance could become accepted and implemented by the South African NPO sector. The role and impact of disengaged boards in the NPO sector could be included in this research, since the King Report on Corporate Governance specifically states that the implementation of, and adherence to all governing principles, are the board's responsibility.

Thirdly, linking to the lack of interest in the governing principles contained in the King Report on Corporate Governance, NPOs seem equally blasé about the ethical and governing codes specifically written for the NPO sector, and a study investigating the reasons for this, may determine how the barriers to accepting and implementing these codes could be overcome.



Fourthly, since only registered NPOs based in Gauteng formed part of the sample, the study can be replicated to NPOs based in other provinces. It would also be valuable to determine if the data resulting from rural NPOs as opposed to urban NPOs differs and if more insights may be obtained with a larger sample.

Fifthly, Smith's (2009:294) study illustrated that integrated communication is a relationship concept and this study proved that NPOs regard relationships with their stakeholders as key to organisational success. However, despite this, the South African NPO sector seemingly does not consciously practise or strive for strategic integrated communication. Developing a model for the implementation of effective integrated communication in the NPO sector would be of value to the sector.

Sixthly, research could be conducted to determine the differences in implementing the proposed model for stakeholder relationship management for NPOs in small versus large NPOs. These differences, should there be any, could be addressed through the development of size-specific models for stakeholder relationship management for the NPOs.

## **8.10 CONCLUSION**

During the initial discussion about the value of the topic of this study, the question was asked why a stakeholder relationship management model for the non-profit sector should differ from a model for the for-profit sector. The simple answer at the time was that the two sectors differ, and the research for this study confirmed the vastness of these differences. Not only do NPOs regard the King Report on Governance as not applicable to them, but several of them have disengaged boards, depend entirely on volunteers, and have a constant struggle to obtain funding. They furthermore operate in an environment where the need for the services of civil society increases constantly, despite their efforts to make a difference and often have to function without the luxury of sufficient resources, including the services of professional communication practitioners.

This study provided insight into the exciting possibilities of a metamodern worldview for the disciplines of communication science and stakeholder relationship

management within the South African NPO sector. It posited that certain modernistic truths within these two disciplines are valid, but could be implemented in a postmodern NPO environment. It recognised the lack of professional communication practitioners in the South African NPO sector, and expanded the responsibility for communication and stakeholder relationship management beyond that of the communication specialist, to senior management in NPOs.

The ultimate objective of the study was to provide the South African NPO sector with a practical and workable model for stakeholder relationship management that could be implemented by them, assisting them in achieving their organisational goals. Accepting that completeness, closure and certainty are unrealistic expectations in the postmodern NPO environment, it is nonetheless believed that the flexible and organic nature of the proposed model for stakeholder relationship management, makes it practical in a creative manner. It is hoped that by having designed this model and that by communicating it through the production of this thesis, the disciplines of communication and stakeholder relationship management may in a small way grow out of their “old selves and become something new”, as suggested by Prather’s (1997:21) comment at the beginning of this chapter.

## LIST OF SOURCES

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[insert date]

[insert title, initials and surname]

[insert designation]

[insert organisation's name]

[insert organisation's address]

[address line 2]

[address line 3]

Dear [insert title and surname]

**CONFIRMATION: RESEARCH INTERVIEW WITH DLITT ET PHIL STUDENT**

I would like to thank you sincerely for agreeing to avail yourself for an interview with me. As I mentioned, I am a doctorate candidate at the University of South Africa (UNISA) and am in the process of developing a *model for stakeholder relationship management for South African NPOs*. My hope is for the model to be practical and implementable and I believe that the final product may be of substantial value to your organisation and the industry in general.

I guarantee that the information shared by you will be treated as confidential and I will not be revealing your name or any sensitive organisational information and issues. I would also be happy to share the final product with you and your management team should you wish to implement the model.

With your permission, I would like to digitally record the interview. It would prevent me from taking notes, rather than listening to you during the interview and also assist in assuring that I quote the information correctly. Your involvement would entail providing some background information on your organisation and detailing how you currently deal with stakeholder relationship management issues. I will transcribe the interview in full and will contact you should anything you mentioned during the interview be unclear to me.



## ADDENDUM A

### EXECUTIVE

I confirm the final interview arrangements as the following:

Date:

Time:

Venue:

Address:

Please feel free to contact my study advisor regarding this research project, Prof Rachel Barker, at UNISA on 012 429 6772 or at [barker@unisa.ac.za](mailto:barker@unisa.ac.za). Alternatively contact me on the cellular number or e-mail address below, should anything be unclear.

Once again, thank you for your participation. I am looking forward to meeting with you.

Yours sincerely

Irma Meyer

Cell: 082 453 2068

E-mail: [irmameyer@absamail.co.za](mailto:irmameyer@absamail.co.za)

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**INTERVIEW GUIDE****SECTION A****INTRODUCTION AND CONTEXTUALISATION OF THE STUDY****INTRODUCTION**

Good morning (afternoon). My name is Irma Meyer and as I explained, I am a doctorate candidate at the University of South Africa. For my thesis I am conducting research on stakeholder relationship management with the hope to develop a workable and implementable stakeholder relationship management model for the South African NPO sector.

I would like to thank you for your willingness to participate. It will help me to finalise the model, something that really excites me because I believe it will be valuable to NPOs in general and to your organisation specifically. The results will be shared with you on completion of the study.

The interview should last about 60 minutes and with your permission I would like to record the interview. It will prevent me from having to make notes while we talk, as well as to ensure the accuracy of reporting your responses. As I have explained in my introductory letter, your responses are confidential and will in no way be linked to your organisation. You may also choose to do the interview anonymously.

Although I have structured the interview questions, it as an open conversation about your organisation and its stakeholder relationship management practices.

Firstly, I would like to know a little more about you and your organisation.



**SECTION B****BIOGRAPHICAL INFORMATION**

Name and surname (optional): \_\_\_\_\_

E-mail address (optional): \_\_\_\_\_

Telephone number: \_\_\_\_\_

Organisation name: \_\_\_\_\_

Years in existence: \_\_\_\_\_

Registered as: \_\_\_\_\_

Operating: Internationally \_\_\_\_\_ Nationally \_\_\_\_\_ Locally \_\_\_\_\_

Size of organisation: Small \_\_\_\_\_ Medium \_\_\_\_\_ Large \_\_\_\_\_

Sector: \_\_\_\_\_

Position in organisation: \_\_\_\_\_

Years of service in organisation: \_\_\_\_\_

Gender: \_\_\_\_\_

Date of interview: \_\_\_\_\_

Time of interview: \_\_\_\_\_

Place of interview: \_\_\_\_\_

Consent to digitally record the interview: Yes \_\_\_\_\_ No \_\_\_\_\_

Consent to mention name of organisation: Yes \_\_\_\_\_ No \_\_\_\_\_

## SECTION C

# TESTING STAGES ONE TO FOUR OF THE PROPOSED METAMODERN FRAMEWORK FOR STAKEHOLDER RELATIONSHIP MANAGEMENT FOR NPOs

| <b>TESTING STAGE ONE</b><br><b>Empower management to understand, accept and apply the concepts of stakeholder relationship management</b><br><b>GUIDED BY PRINCIPLE ONE</b><br><b>Clear understanding and uniform organisational worldview of stakeholder relationship management</b>   |  |       |  |  |
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| <i>In this first section I would like to understand a little more about your management's understanding and knowledge of the concepts of stakeholders and stakeholder relationship management. I am also interested in the types of training you embark on when it comes to stakeholder relationship management practices.</i>                  |  |       |  |  |
| Relevant assumption, proposition and research question  | Interview questions  | Notes | Relevant antecedents and relational outcomes   | Relevant theories  |
| <b>Assumption one</b><br>NPO managers accept the value of strategic stakeholder relationship management, but lack the necessary training and skills to implement it.<br><br><b>Proposition one</b><br>Managers in organisations with effective stakeholder relationship management capabilities, are trained and competent in the principles of | <b>Question 1</b> <ul style="list-style-type: none"> <li>How would you define firstly, <i>stakeholder</i>, and secondly, <i>stakeholder relationship management</i>?</li> </ul><br><b>Possible probes</b> <ul style="list-style-type: none"> <li>Personal view?</li> <li>Organisational view?</li> <li>Strategic function?</li> <li>Whose responsibility?</li> <li>Organisation-wide consensus on the definitions?</li> </ul><br><b>(Measuring:</b> understanding of the concept, purpose of stakeholder relationship management, involvement, investment, the stewardship theory, communicative theory of the firm, relationship management theory) |       | <b>Antecedents</b> <ul style="list-style-type: none"> <li>Mutual consequences</li> <li>Investment</li> <li>Commitment</li> </ul><br><b>Relational outcomes</b> <ul style="list-style-type: none"> <li>Trust</li> <li>Satisfaction</li> <li>Commitment</li> <li>Control mutuality</li> <li>Involvement</li> <li>Investment</li> </ul> | <ul style="list-style-type: none"> <li>Integrated communication</li> <li>Mixed-motive two-way communication</li> <li>The stewardship theory</li> <li>The communicative theory of the firm</li> <li>The network theory of stakeholder influences</li> <li>The relationship management theory</li> <li>The descriptive, instrumental and normative stakeholder theory</li> </ul> |

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| <p>stakeholder relationship management and constantly consider the interests of all stakeholders.</p> <p><b>Research question one</b></p> <p>How much knowledge do managers in the South African NPO sector have of stakeholder relationship management as a scientific communication practice and a governing principle?</p> | <p><b>Question 2</b></p> <ul style="list-style-type: none"> <li>What role, in your opinion, do strong relationships with your stakeholders play in the success of achieving your organisational goals?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Consequences of stakeholder relationships?</li> <li>Involvement of management</li> <li>Importance of stakeholder relationships?</li> <li>Control mutuality</li> <li>Trust, satisfaction, commitment</li> <li>Contribution to bottom line?</li> </ul> <p>(<b>Measuring:</b> acceptance of the value of stakeholder relationships, mutual consequences, trust, satisfaction, control mutuality, network theory of stakeholder influences)</p> <p><b>Question 3</b></p> <ul style="list-style-type: none"> <li>What do you regard as the attributes (characteristics) of successful stakeholder relationships?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>What are the outcomes of successful relationships?</li> <li>Probe for the relational outcomes of trust, satisfaction, commitment, control mutuality, involvement, investment</li> </ul> |  |  |  |
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|  | <ul style="list-style-type: none"> <li>○ Are these formalised as goals in the organisation?</li> </ul> <p>(<b>Measuring:</b> knowledge of the concepts of stakeholder relationship management, relational outcomes stated as goals, integrated communication, mixed-motive two-way mixed-motive communication, the stewardship theory, descriptive, instrumental, normative theory)</p> <p><b>Question 4</b></p> <ul style="list-style-type: none"> <li>● How much of your time is spent on communicating about building relationships with stakeholders?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Formal and informal conversations?</li> <li>○ Emphasis on relationship building in internal and external speeches?</li> <li>○ Participation in relationship-building processes by internal and/or external stakeholders?</li> <li>○ Training of junior management</li> <li>○ Sharing strategies with employees</li> <li>○ Allocation of resources</li> <li>○ Investing in the process</li> </ul> <p>(<b>Measuring:</b> investment, commitment, involvement, integrated communication, mixed-motive two-way communication, the stewardship theory)</p> |  |  |  |
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|  | <p><b>Question 5</b></p> <ul style="list-style-type: none"> <li>How do you see your role in building relationships with the organisation's key stakeholders?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Relationship building is part of job description</li> <li>Expectation of board or senior management that it should be done</li> <li>Evaluation of the process and success thereof</li> <li>Stakeholder feedback process in place</li> </ul> <p>(<b>Measuring:</b> stakeholder relationship capabilities of management, involvement, investment, management involvement, integrated communication, the stewardship theory, stakeholder relationship management as a management function)</p> <p><b>Question 6</b></p> <ul style="list-style-type: none"> <li>Please explain to me how you perceive managers in your organisation obtain their knowledge of the concepts of stakeholder relationship management.</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Informal training</li> <li>Formal training</li> <li>No training or ad hoc</li> <li>Is it a management function?</li> <li>Should management be trained?</li> </ul> |  |  |  |
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|  | <ul style="list-style-type: none"> <li>○ Are resources dedicated to training?</li> <li>○ Involvement of management</li> </ul> <p>(<b>Measuring:</b> stakeholder relationship capabilities of management, investment, management involvement, the stewardship theory, stakeholder relationship management as a management function)</p> <p><b>Question 7</b></p> <ul style="list-style-type: none"> <li>• Are you aware of the stakeholder relationship governing principles in the King IV Report on Corporate Governance?</li> <li>• Do you think your organisation applies the governing principles of the King IV Report on Corporate Governance when it comes to stakeholder relationship management? If not, explain briefly why not.</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Awareness of King Report</li> <li>○ Awareness of Practice Notes and supplements of King Report relevant to NPOs</li> <li>○ Willingness to use King Report principles as a guide</li> <li>○ Stakeholder relationship management as a management function</li> <li>○ Stakeholder relationship management as a governing principle</li> </ul> |  |  |  |
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|   | ( <b>Measuring:</b> awareness of King Report, acceptance of stakeholder relationship management as a management function, acceptance of stakeholder relationship management as a governing principle, willingness to apply King Report principles in an NPO, integrated communication, mixed-motive two-way communication, the stewardship theory)   |  |  |   |
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| <b>TESTING STAGE TWO</b><br><b>Reach internal consensus about strategic organisational issues</b><br><b>GUIDED BY PRINCIPLE ONE</b><br><b>Clear understanding and uniform organisational worldview of stakeholder relationship management</b>   |  |  |  |   |
| <i>In the second section I would like to know who is responsible for drafting the organisation's strategic business plans as well as the stakeholder relationship management strategy. It would also be interesting to understand what the link between these two strategies is and how they are integrated and communicated in the organisation.</i> |  |  |  |   |
| Relevant assumption, proposition and research question  | Interview questions  |  | Relevant antecedents and relational outcomes   | Relevant theories   |
| <b>Assumption two</b><br>NPOs which endeavour to design stakeholder relationship management strategies, do so from a broad macro-level perspective and do not link strategic stakeholders to specific, prioritised,   | <b>Question 8</b> <ul style="list-style-type: none"> <li>Who is responsible for drafting your organisation's strategic business plan?</li> </ul><br><b>Possible probes</b> <ul style="list-style-type: none"> <li>It is an annual exercise?</li> <li>Only management involvement or other stakeholder involvement?</li> <li>How is it communicated to employees and other stakeholders?</li> </ul> |  | <b>Antecedents</b> <ul style="list-style-type: none"> <li>Expectations</li> <li>Mutual consequences</li> <li>Investment</li> <li>Commitment</li> </ul><br><b>Relational outcomes</b> <ul style="list-style-type: none"> <li>Trust</li> <li>Satisfaction</li> <li>Commitment</li> </ul> | <ul style="list-style-type: none"> <li>The systems theory</li> <li>Integrated communication</li> <li>The network theory of stakeholder influences</li> <li>The situational theory of publics</li> </ul> |

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| <p>strategic organisational issues.</p> <p><b>Proposition two</b><br/>Effective stakeholder relationship management strategies are aligned with organisational business strategies and focus on strategic stakeholders based on current and strategic organisational issues.</p> <p><b>Research question two</b><br/>Do managers in the South African NPO sector align stakeholder relationship management strategies with organisational business strategies and current strategic organisational issues?</p> | <p>(<b>Measuring:</b> existence of strategic business plan, organisation-wide involvement, systems theory, mutual consequences, investment)</p> <p><b>Question 9</b></p> <ul style="list-style-type: none"> <li>Do you have a formal stakeholder relationship management strategy in your organisation?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Formal stakeholder relationship management strategy in place?</li> <li>Research on stakeholder perceptions and needs?</li> <li>Importance of integrated communication?</li> <li>Importance of networking and subsequent influences?</li> <li>How often is it done?</li> <li>Only management involvement or other internal and/or external stakeholder involvement?</li> <li>How is strategy communicated to employees and other stakeholders?</li> </ul> <p>(<b>Measuring:</b> existence of stakeholder relationship management strategy, organisation-wide involvement, mutual consequences, involvement, investment, systems theory, integrated communication, networking theory of stakeholder influences)</p> |  | <ul style="list-style-type: none"> <li>Control mutuality</li> <li>Involvement</li> <li>Investment</li> </ul> |  |
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|  | <p><b>Question 10</b></p> <ul style="list-style-type: none"> <li>Do you involve your internal and external stakeholders in the drafting of either of these two strategies? If so, explain how.</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Before and during the drafting, or only after?</li> <li>Sharing a completed strategy with them?</li> <li>Not at all?</li> <li>Who is responsible for doing this?</li> <li>Should stakeholders be involved in strategy development?</li> <li>Discuss internal and external stakeholders separately?</li> <li>Advantages and disadvantages of involvement</li> </ul> <p><b>(Measuring:</b> involvement of internal and external stakeholders, mutual consequences, trust, satisfaction, control mutuality, integrated communication, systems theory, network theory of stakeholder influences, the stewardship theory)</p> <p><b>Question 11</b></p> <ul style="list-style-type: none"> <li>Do you align your organisation's strategic business plan with your stakeholder relationship management strategy? Please explain how.</li> </ul> |  |  |  |
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|   | <b>Possible probes</b> <ul style="list-style-type: none"> <li>○ Are the two strategies aligned and if so, how?</li> <li>○ Who is responsible for doing it?</li> <li>○ Collaboration between different management teams</li> </ul> <p>(<b>Measuring:</b> alignment of strategic issues to strategic stakeholders, involvement, integrated communication, systems theory, network theory of stakeholder influences, situational theory of publics)</p> |  |   |  |
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| <b>TESTING STAGE THREE</b><br><b>Map stakeholders and identify strategic stakeholders</b><br><b>GUIDED BY PRINCIPLE TWO</b><br><b>Identify strategic stakeholders and their attitudes, expectations and perceptions</b> |  |  |   |  |
| <i>In the third section I am interested in understanding how you decide who your stakeholders are, to whom you should allocated your resources, and why.</i>  |  |  |   |  |
| Relevant assumption, proposition and research question  | Interview questions  |  | Relevant antecedents and relational outcomes  | Relevant theories  |
| <b>Assumption three</b><br>NPOs define stakeholders broadly and not strategically, resulting in reactive stakeholder relationship management, since those stakeholders  | <b>Question 12</b> <ul style="list-style-type: none"> <li>• How does your organisation decide who its stakeholders are?</li> </ul><br><b>Possible probes</b> <ul style="list-style-type: none"> <li>○ Who does it?</li> <li>○ How often is it done?</li> <li>○ How is it done?</li> </ul>  |  | <b>Antecedents</b> <ul style="list-style-type: none"> <li>• Expectations</li> <li>• Mutual consequences</li> <li>• Stakeholder-NPO association</li> </ul><br><b>Relational outcomes</b> | <ul style="list-style-type: none"> <li>• The systems theory</li> <li>• Integrated communication</li> <li>• Mixed-motive two-way communication</li> <li>• Stakeholder management framework</li> <li>• The linkages model</li> </ul> |

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| <p>who are the most vocal, receive the most attention.</p> <p><b>Proposition three</b><br/>All stakeholders deserve equal attention, but not to the same extent at any given time. Linking stakeholders to current strategic issues will assist NPO managers to determine which stakeholders are strategic at any given time.</p> <p><b>Research question three</b><br/>How do South African NPOs managers determine the salience of stakeholders in order to identify strategic stakeholders?</p> | <ul style="list-style-type: none"> <li>Does it include all stakeholders regardless of current issues?</li> <li>Stakeholder map?</li> </ul> <p>(<b>Measuring:</b> formal stakeholder mapping, expectations, mutual consequences, systems theory, situational theory of publics, stakeholder management framework, linkages model)</p> <p><b>Question 13</b></p> <ul style="list-style-type: none"> <li>How would you describe the difference between stakeholders and <i>strategic</i> stakeholders?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Are all stakeholders equally important all the time?</li> <li>Which stakeholder deserves more attention than another and why?</li> <li>Power of stakeholders</li> <li>Urgency and level of interest of stakeholders</li> <li>Who decides and how?</li> </ul> <ul style="list-style-type: none"> <li>(<b>Measuring:</b> alignment of strategic issues with strategic stakeholders, mutual consequences, stakeholder management framework, stakeholder identification, salience, power and urgency of stakeholders)</li> </ul> |  | <ul style="list-style-type: none"> <li>Trust</li> <li>Satisfaction</li> <li>Commitment</li> <li>Control mutuality</li> <li>Involvement</li> <li>Investment</li> </ul> | <ul style="list-style-type: none"> <li>The stakeholder identification and salience theory</li> </ul> |
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|  | <p><b>Question 14</b><br/>How do you usually identify important external factors and issues in society that can impact on the work of your organisation?</p> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Evaluation</li> <li>○ Environmental scanning</li> <li>○ Formal, informal research</li> <li>○ Liaison with stakeholders</li> </ul> <p>(<b>Measuring:</b> level of research and evaluation, investment , commitment, systems theory, control mutuality)</p> <p><b>Question 15</b><br/>• What steps have you put in place to determine how satisfied or dissatisfied stakeholders are with your organisation?</p> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Formal research</li> <li>○ Informal research</li> <li>○ Stakeholder feedback mechanism</li> <li>○ Two-way communication</li> </ul> <p>(<b>Measuring:</b> existing research and evaluation, stakeholder relationship as a management function, investment, involvement, integrated communication mixed-motive two-way communication, the stewardship theory, network of stakeholder influences)</p> |  |  |  |
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|  | <p><b>Question 16</b></p> <ul style="list-style-type: none"> <li>Which stakeholders receive more attention than others and why do you think this happens?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Attention to those that are the loudest</li> <li>Attention to those who supply financial assistance</li> <li>Link to current issues?</li> </ul> <p>(<b>Measuring:</b> attachment to certain stakeholders because of the perception that they are the most important (urgency and level of interest), ignoring the link between current issues and strategic stakeholders, stakeholder management framework, linkages model, stakeholder identification and salience)</p> <p><b>Question 17</b></p> <ul style="list-style-type: none"> <li>What is your opinion on the allocation of resources to the function of stakeholder relationship management?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Enough resources?</li> <li>Competent employees?</li> <li>Formal plan or on an ad hoc basis?</li> <li>Management responsibility?</li> </ul> <p>(<b>Measuring:</b> lack of resources to adequately pay attention to strategic stakeholders,</p> |  |  |  |
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|  | <p>investment, commitment, the stewardship theory, stakeholder identification and salience)</p> <p><b>Question 18</b></p> <ul style="list-style-type: none"> <li>• What do you think is necessary to make it easier to pay more attention to stakeholders who have the greatest impact on the organisation's success?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Existence of stakeholder relationship management strategy?</li> <li>○ Collaboration between different teams responsible for strategies?</li> <li>○ Competencies in the aspects of stakeholder relationship management practices?</li> <li>○ Clear identification of strategic stakeholders (those with power to make a difference) to current strategic issues?</li> </ul> <p>(<b>Measuring:</b> link strategic issues to strategic stakeholders, focussed approach, alignment between business strategy, current strategic issues and strategic stakeholders, integrated communication, mixed-motive two-way communication, stakeholder identification and salience, the stewardship theory, situational theory of publics, network theory of stakeholder influences)</p> |  |  |  |
| <p align="center"><b>TESTING STAGE FOUR</b><br/> <b>Design a focussed communication strategy</b><br/> <b>GUIDED BY PRINCIPLE THREE</b></p> |  |  |  |  |

| Formal stakeholder communication strategies are key to effective stakeholder relationship management  |  |  |  |  |
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| Lastly I would like to know more about the communication function in your organisation. Who is responsible for the communication strategy and what is the link between the communication strategy and the stakeholder relationship management strategy?   |  |  |  |  |
| Relevant assumption, proposition and research question  | Interview questions  |  | Relevant antecedents and relational outcomes   | Relevant theories  |
| <p><b>Assumption four</b><br/>NPOs mostly lack formalised communication strategies and communicate on an ad hoc basis with stakeholders.</p> <p><b>Proposition four</b><br/>The successful implementation of communication strategies is key to effective stakeholder relationship management.</p> <p><b>Research question four</b><br/>Are the communication strategies of the South African NPO sector linked to their stakeholder relationship</p> | <p><b>Question 19</b></p> <ul style="list-style-type: none"> <li>Who is responsible for the drafting of your organisation's communication strategy?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Does your organisation need a communication strategy?</li> <li>Specific department's responsibility?</li> <li>Specific person's responsibility?</li> <li>Shared with internal and/or external stakeholders?</li> </ul> <p>(<b>Measuring:</b> existence of a formal communication strategy and communication department, management responsibility, integrated communication, commitment, investment)</p> |  | <p><b>Antecedents</b></p> <ul style="list-style-type: none"> <li>Expectations</li> <li>Mutual consequences</li> <li>Stakeholder-NPO association</li> <li>Investment</li> <li>Commitment</li> </ul> <p><b>Relational outcomes</b></p> <ul style="list-style-type: none"> <li>Trust</li> <li>Satisfaction</li> <li>Commitment</li> <li>Control mutuality</li> <li>Involvement</li> <li>Investment</li> </ul> | <ul style="list-style-type: none"> <li>Integrated communication</li> <li>Mixed-motive two-way communication</li> <li>The situational theory of publics</li> <li>Stakeholder communication strategy typology</li> <li>Relationship management strategies with elements of the stewardship theory</li> <li>The stewardship theory</li> </ul> |
|   | <p><b>Question 20</b></p> <ul style="list-style-type: none"> <li>What is your opinion on the link between the communication strategy and stakeholder relationship management?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Is it the same thing?</li> </ul>   |  |  |  |

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| <p>management strategies?</p> <p><b>Research question five</b></p> <p>Will the proposed metamodern framework for NPO stakeholder relationship management be usable in practice?</p> | <ul style="list-style-type: none"> <li>○ The role of communication in stakeholder relationship management?</li> <li>○ Can and should communication with stakeholders be planned and if so, to what extent?</li> <li>○ Alignment between the strategies?</li> <li>○ Addressing of stakeholder relationship management issues through the communication strategy?</li> <li>○ Whose responsibility?</li> </ul> <p>(<b>Measuring:</b> comprehension that communication is core to stakeholder relationship management, integrated communication, stakeholder communication typology, relationship management strategies with elements of the stewardship theory)</p> <p><b>Question 21</b></p> <ul style="list-style-type: none"> <li>• What, in your opinion, are the communication expectations of your stakeholders?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Information only</li> <li>○ Integrated communication</li> <li>○ Two-way communication</li> <li>○ Feedback mechanisms</li> <li>○ Involvement of management</li> <li>○ Is research done?</li> <li>○ How do you know what stakeholders want?</li> </ul> |  |  |  |
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|  | <p>(<b>Measuring:</b> How stakeholder expectations are researched, inside-out approach, expectations, control mutuality, stakeholder-NPO association, integrated communication, mixed-motive two-way communication)</p> <p><b>Question 22</b></p> <ul style="list-style-type: none"> <li>• What benefits do you think successful communication will have to your organisation and your stakeholders?</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Internal stakeholder benefits</li> <li>○ External stakeholder benefits</li> <li>○ Short-term benefits to organisation (allocation of resources, trained employees)</li> <li>○ Long-term benefits to organisation (achievement of organisational business goals)</li> </ul> <p>(<b>Measuring:</b> stakeholder-NPO association, trust, satisfaction, commitment, control mutuality, involvement, investment, integrated communication, mixed-motive two-way communication, situational theory of publics, stakeholder communication typology, relationship management strategies with elements of the stewardship theory)</p> <p><b>Question 23</b></p> <ul style="list-style-type: none"> <li>• In your opinion, what is needed in your organisation for this to become a reality?</li> </ul> |  |  |  |
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|  | <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Increase competency levels through training?</li> <li>○ Collaboration between various departments?</li> <li>○ Alignment of business, stakeholder relationship management and communication strategies?</li> <li>○ Organisation-wide involvement?</li> <li>○ Management function?</li> </ul> <p>(<b>Measuring:</b> willingness for training, readiness for implementing a model as a tool for stakeholder relationship management, allocation of sufficient resources, investment, commitment, trust, integrated communication, mixed-motive two-way communication)</p> <p><b>Question 24</b></p> <ul style="list-style-type: none"> <li>• Do you think a formal model or tool would assist your organisation in implementing a stakeholder relationship management strategy? Please explain.</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>○ Model may provide direction</li> <li>○ What are the expectations of such a model?</li> <li>○ Who will implement it?</li> <li>○ What is practical?</li> </ul> <p>(<b>Measuring:</b> readiness for implementing a model as a tool for stakeholder relationship management, investment, commitment, trust,</p> |  |  |  |
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|  | <p>integrated communication, mixed-motive two-way communication, systems theory)</p> <p><b>Question 25</b></p> <ul style="list-style-type: none"> <li>I have a proposed framework for stakeholder relationship management for NPOs. I will explain it briefly to you and would then like to know from you if you think it is implementable in your organisation.</li> </ul> <p><b>Possible probes</b></p> <ul style="list-style-type: none"> <li>Are the resources enough?</li> <li>Who will implement it?</li> <li>Culture in the organisation conducive to stakeholder relationship management?</li> <li>Barriers to implementing the framework?</li> </ul> <p><b>(Measuring:</b> Practicality of the proposed framework for stakeholder relationship management in NPOs, instrumental, normative and descriptive stakeholder theory, the stewardship theory)</p> |  |  |  |
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**Notes:** For the last question, the graphic illustration of the various stages of the proposed framework for stakeholder relationship management for NPOs, was presented to the participants. Each stage was briefly explained to them before their comment was asked.

The sections of the interview guide were colour-coded with the colours of the relevant stages in the proposed framework for stakeholder relationship management for NPOs (see Addendum E).

The questions in the interview guide were used as direction, but the interviewer was guided by the conversation.

## EXAMPLE: NOTES AND REFLECTION ON THE INTERVIEW PROCESS AND PARTICIPANT'S INVOLVEMENT

| STAGE IN FRAMEWORK   | INTERVIEW QUESTIONS   | REFLECTION<br>(knowledge levels, hesitation, grasp of question, comfort)  |
|--|---|---|
| <p><b>TESTING STAGE ONE</b></p> <p>Empower management to understand, accept and apply the concepts of stakeholder relationship management.</p> <p><b>GUIDED BY PRINCIPLE ONE</b></p> <p>Clear understanding and uniform organisational worldview of stakeholder relationship management.</p> | <p><b>Question 1</b><br/>How would you define firstly, <i>stakeholder</i>, and secondly, <i>stakeholder relationship management</i>?</p> <p><b>Question 2</b><br/>What role, in your opinion, do strong relationships with your stakeholders play in the success of achieving your organisational goals?</p> <p><b>Question 3</b><br/>What do you regard as the attributes (characteristics) of successful stakeholder relationships?</p> <p><b>Question 4</b><br/>How much of your time is spent on communicating about building relationships with stakeholders?</p> <p><b>Question 5</b><br/>How do you see your role in building relationships with the organisation's key stakeholders?</p> <p><b>Question 6</b><br/>Please explain to me how you perceive managers in your organisation obtain their knowledge of the concepts of stakeholder relationship management.</p> <p><b>Question 7</b><br/>Are you aware of the stakeholder relationship governing principles in the King IV Report on Corporate Governance?</p> <p>Do you think your organisation applies the governing principles of the King IV Report on Corporate Governance when it comes to stakeholder relationship management? If not, explain briefly why not.</p> | <p>The participant was not able to actually define what a stakeholder is, but rather explained who their stakeholders are. He, however, had a specific view as far as stakeholder relationship management is concerned i.e. "keep the stakeholder happy". He believes he plays the role of influencer and that strong relationships ultimately contribute to the organisation's bottom-line. He mentioned trust and mutual consequences as characteristics of a successful relationship. "It is like a marriage" – you have to communicate and work at it all the time". One must be open and transparent.</p> <p>Since it is clear that he spends most of his time on building relationships, question 4 was not asked. He is very involved in relationship building. He delegates to some extent to senior management, but clearly not enough.</p> <p>No formal stakeholder relationship management training programmes are in place for managers. It is done more intuitively, taking responsibility spontaneously.</p> <p>He is aware of King IV, but not of its stakeholder relationship management governing principles. He is thus aware of King IV in terms of the organisation, but not the stakeholder.</p> |

| STAGE IN FRAMEWORK  | INTERVIEW QUESTIONS  | REFLECTION<br>(knowledge levels, hesitation, grasp of question, comfort)   |
|---|--|--|
|   |  | He accepts the importance of stakeholder relationship management, but management is not really empowered to understand, accept and apply the concepts of stakeholder relationship management.  |
| <b>TESTING STAGE TWO</b><br><br>Reach internal consensus about current strategic organisational issues.<br><br><b>GUIDED BY PRINCIPLE ONE</b><br><br>Clear understanding and uniform organisational worldview of stakeholder relationship management. | <b>Question 8</b><br>Who is responsible for drafting your organisation's strategic business plan?<br><b>Question 9</b><br>Do you have a formal stakeholder relationship management strategy in your organisation?<br><b>Question 10</b><br>Do you involve your internal and external stakeholders in the drafting of either of these two strategies? If so, explain how.<br><b>Question 11</b><br>Do you align your organisation's strategic business plan with your stakeholder relationship management strategy? Please explain how. | The business plan is developed with the senior management team.<br>There is no stakeholder relationship management strategy in place.<br>The business plan is merely shared with internal stakeholders and the areas applicable to them are translated for them. Externally the Regulator receives a copy of the business plan as a formality.<br><br>Thus, there is no stakeholder involvement in compiling the strategic business plan and consensus about strategic issues seems to be only on senior management level.<br><br>Member checking was done to ensure that the interviewer understood what the participant was communicating. |
| <b>TESTING STAGE THREE</b><br><br>Map stakeholders and identify strategic stakeholders.   | <b>Question 12</b><br>How does your organisation decide who its stakeholders are?<br><b>Question 13</b><br>How would you describe the difference between stakeholders and <i>strategic</i> stakeholders?   | The participant was very sure who "critical" stakeholders are and referred to them as high influencers. That was also his distinction between stakeholders and strategic stakeholders.<br><br>Their stakeholder map seems to be static and the strategic stakeholders remain constant.   |

| STAGE IN FRAMEWORK   | INTERVIEW QUESTIONS   | REFLECTION<br>(knowledge levels, hesitation, grasp of question, comfort)  |
|--|---|---|
| <p><b>GUIDED BY PRINCIPLE TWO</b></p> <p>Identify strategic stakeholders and their attitudes, expectations and perceptions.</p>  | <p><b>Question 14</b><br/>How do you usually identify important external factors and issues in society that can impact on the work of your organisation?</p> <p><b>Question 15</b><br/>What steps have you put in place to determine how satisfied or dissatisfied stakeholders are with your organisation?</p> <p><b>Question 16</b><br/>Which stakeholders receive more attention than others and why do you think this happens?</p> <p><b>Question 17</b><br/>What is your opinion on the allocation of resources to the function of stakeholder relationship management?</p> <p><b>Question 18</b><br/>What do you think is necessary to make it easier to pay more attention to stakeholders who have the greatest impact on the organisation's success?</p> | <p>Informal research in the form of environmental scanning is done. Being close to stakeholders means that they know what is going on.</p> <p>He thinks the organisation is too small to allocate more resources to the function of stakeholder relationship management.</p> <p>Legislators and funders receive the most attention.</p> <p>More competent management will make stakeholder relationship management easier.</p>  |
| <p><b>TESTING STAGE FOUR</b></p> <p>Design a focussed communication strategy.</p> <p><b>GUIDED BY PRINCIPLE THREE</b></p> <p>Formal stakeholder communication strategies are key to effective stakeholder relationship management.</p> | <p><b>Question 19</b><br/>Who is responsible for the drafting of your organisation's communication strategy?</p> <p><b>Question 20</b><br/>What is your opinion on the link between the communication strategy and stakeholder relationship management?</p> <p><b>Question 21</b><br/>What, in your opinion, are the communication expectations of your stakeholders?</p> <p><b>Question 22</b><br/>What benefits do you think successful communication will have to your organisation and your stakeholders?</p> <p><b>Question 23</b></p>   | <p>There is no formal communication strategy and therefore no link between it and the non-existing stakeholder relationship management strategy.</p> <p>He believes in face-to-face communication. The rest is information dissemination. This is also how stakeholders want to be communicated to according to him.</p> <p>Question 23 seemed irrelevant at this point in time and was not asked.</p> <p>The participant was not sure about having a model, although he agreed that a tool is always good to have.</p> |

| STAGE IN FRAMEWORK | INTERVIEW QUESTIONS   | REFLECTION<br>(knowledge levels, hesitation, grasp of question, comfort)  |
|--------------------|---|---|
|                    | <p>In your opinion, what is needed in your organisation for this to become a reality?</p> <p><b>Question 24</b><br/>Do you think a formal model or tool would assist your organisation in implementing a stakeholder relationship management strategy? Please explain.</p> <p><b>Question 25</b><br/>I have a proposed framework for stakeholder relationship management for NPOs. I will explain it briefly to you and would then like to know from you if you think it is implementable in your organisation.</p> | <p>The interviewer explained the proposed model to him and he was positive about it. His only concern was that it takes work to implement a model. He likes the fact that it is linked to specific strategic objectives – not a policy that sits in a desk.</p> |

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**CODING CATEGORIES**

Coding was done by starting with meta-themes, which were then expanded into subcategories. These subcategories were then finally reduced to seven ultimate themes. For ease of reference, all meta-themes and subcategories which were condensed into a resulting theme, are colour coded in the same colour as the final theme as illustrated.

**RESULTING CODING THEMES**

|                     |  |
|---------------------|--|
| <b>Theme one:</b>   | Management's role and philosophy towards stakeholder relationship management |
| <b>Theme two:</b>   | Knowledge and training pertaining to stakeholder relationship management     |
| <b>Theme three:</b> | Stakeholder identification and relationship attributes                       |
| <b>Theme four:</b>  | Business strategy and stakeholder relationship management                    |
| <b>Theme five:</b>  | Communication and stakeholder relationship management                        |
| <b>Theme six:</b>   | Relevance to theory  |
| <b>Theme seven:</b> | Relevance to metamodern worldview  |



| META-THEMES AND SUBCATEGORIES                                 |  | DESCRIPTION   | CONDENSED TO CODING THEME              | RESULTING CODING THEMES   |
|---|--|---|--|---|
| <b>Meta-theme</b>   |  |   |  |   |
| Management and stakeholder relationship management – general. |  | Capturing all general comments from management about the concept of stakeholder relationship management.  | <b>Condensed to coding theme two</b>   | <b>Coding theme two</b><br>Management's role and philosophy towards stakeholder relationship management . |
| <b>Subcategories</b>  | Awareness of King IV and its stakeholder relationship management principles. | Exploring NPO management's attitude about and awareness of the King IV Report on Corporate Governance and specifically of the stakeholder relationship management governing principles contained in it.     | <b>Condensed to coding theme one</b>   | <b>Coding theme one</b><br>Knowledge and training pertaining to stakeholder relationship management.      |
|   | Communicate about stakeholder relationship management.                       | Establishing how often NPO management deliberately communicates about the principles of stakeholder relationship management and about building relationships with their internal and external stakeholders. | <b>Condensed to coding theme one</b>   |   |
|   | Defining stakeholder.  | Establishing how NPO management defines the concept and terminology of "stakeholder".   | <b>Condensed to coding theme three</b> | <b>Coding theme three</b><br>Stakeholder identification and relationship attributes.                      |
|   | Defining stakeholder relationship management.                                | Establishing how NPO management defines the concept and terminology of "stakeholder relationship management".   | <b>Condensed to coding theme one</b>   |   |
|   | Knowledge of stakeholder relationship management – ample.                    | Discovering if there is ample knowledge amongst management in the organisation of the scientific discipline of stakeholder relationship management.   | <b>Condensed to coding theme one</b>   | <b>Coding theme one</b><br>Knowledge and training pertaining to stakeholder relationship management.      |
|   | Knowledge of stakeholder   | Discovering if there is limited knowledge amongst management in the organisation of   | <b>Condensed to coding theme one</b>   |   |

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| Subcategories | relationship management – limited.                              | the scientific discipline of stakeholder relationship management.  |                               |  |
|               | Knowledge of stakeholder relationship management – none.        | Discovering if there is no knowledge amongst management in the organisation of the scientific discipline of stakeholder relationship management.   | Condensed to coding theme one |  |
|               | Personal involvement.   | Exploring how involved management personally is in building stakeholder relationships.   | Condensed to coding theme two | <b>Coding theme two</b><br>Management's role and philosophy towards stakeholder relationship management. |
|               | Stakeholder relationship management philosophy.                 | Determining the attitude of NPO management in general towards the concept of stakeholder relationship management.  | Condensed to coding theme two |  |
|               | Allocate more resources to stakeholder relationship management. | Investigating NPO management's view about allocating more resources to the function of stakeholder relationship management, be it funds, time, training, etc.  | Condensed to coding theme two |  |
|               | Attitude towards conceptual framework – negative.               | Determining if management is negative about a tool or model to assist NPOs with stakeholder relationship management strategies and testing if they believe the proposed conceptual stakeholder relationship management framework is practical and implementable. | Condensed to coding theme two |  |
|               | Attitude towards conceptual framework – neutral.                | Determining if management is neutral about a tool or model to assist NPOs with stakeholder relationship management strategies and testing if they believe the proposed conceptual stakeholder relationship management framework is practical and implementable.  | Condensed to coding theme two |  |

|                      |   |  |  |  |
|----------------------|---|--|--|--|
| <b>Subcategories</b> | Attitude towards conceptual framework – positive.       | Determining if management is positive about a tool or model to assist NPOs with stakeholder relationship management strategies and testing if they believe the proposed conceptual stakeholder relationship management framework is practical and implementable. | <b>Condensed to coding theme two</b>   |  |
|                      | Role of relationships in organisational success.        | Establishing if NPO management believes that relationships play a role in and contribute to organisational success.  | <b>Condensed to coding theme two</b>   |  |
|                      | Training on stakeholder relationship management – full. | Determining if there is comprehensive training in the organisation on the concept of stakeholder relationship management.  | <b>Condensed to coding theme one</b>   | <b>Coding theme one</b><br>Knowledge and training pertaining to stakeholder relationship management. |
|                      | Training on stakeholder relationship management – some. | Determining if there is some training in the organisation on the concept of stakeholder relationship management.   | <b>Condensed to coding theme one</b>   |  |
|                      | Training on stakeholder relationship management – none. | Determining if there is no training in the organisation on the concept of stakeholder relationship management.   | <b>Condensed to coding theme one</b>   |  |
| <b>Meta-theme</b>    |   |  |  |  |
|                      | Relationship attributes – general.                      | Capturing general comments about the attributes of strong relationships.   | <b>Condensed to coding theme three</b> | <b>Coding theme three</b><br>Stakeholder identification and relationship attributes.                 |
|                      | Attributes stated as organisational goals.              | Discovering if relational attributes and desired relational outcomes are proactively stated as organisational goals.   | <b>Condensed to coding theme three</b> |  |
|                      | Collaborate.  | Determining if collaboration is regarded as a desired relational antecedent and/or relational outcome and to what extent.  | <b>Condensed to coding theme three</b> |  |

|               |                           |   |                                 |  |
|---------------|---------------------------|---|---------------------------------|--|
| Subcategories | Commitment                | Determining if commitment is regarded as a desired relational antecedent and/or relational outcome and to what extent.                          | Condensed to coding theme three |  |
|               | Communication             | Determining if communication is regarded as a desired relational antecedent and/or relational outcome and to what extent.                       | Condensed to coding theme three |  |
|               | Control mutuality         | Determining if control mutuality is regarded as a desired relational antecedent and/or relational outcome and to what extent.                   | Condensed to coding theme three |  |
|               | Honest, open, transparent | Determining if honesty, openness and transparency are regarded as desired relational antecedents and/or relational outcomes and to what extent. | Condensed to coding theme three |  |
|               | Investment                | Determining if investment is regarded as a desired relational antecedent and/or relational outcome and to what extent.                          | Condensed to coding theme three |  |
|               | Mutual consequences       | Determining if mutual consequences are regarded as a desired relational antecedent and/or relational outcome and to what extent.                | Condensed to coding theme three |  |
|               | Mutually beneficial       | Determining if mutual benefit is regarded as a desired relational antecedent and/or relational outcome and to what extent.                      | Condensed to coding theme three |  |
|               | Trust                     | Determining if trust is regarded as a desired relational antecedent and/or relational outcome and to what extent.                               | Condensed to coding theme three |  |
|               | Satisfaction              | Determining if satisfaction is regarded as a desired relational antecedent and/or relational outcome and to what extent.                        | Condensed to coding theme three |  |
|               | Other attributes          | Determining what other attributes are regarded as desired relational antecedents and/or relational outcomes.                                    | Condensed to coding theme three |  |

| Meta-theme                   |   | Final theme  |                                       |  |
|------------------------------|---|--|---------------------------------------|--|
| Business strategy – general. |   | Capturing general comments about the organisation's business strategy.   | <b>Condensed to coding theme four</b> | <b>Coding theme four</b><br>Business strategy and stakeholder relationship management. |
| <b>Subcategories</b>         | Business strategy's link to stakeholder relationship management activities. | Determining the link between the business strategy and the stakeholder relationship management activities.                   | <b>Condensed to coding theme four</b> |  |
|                              | Business strategy's link to stakeholder relationship management strategy.   | Determining the link between the business strategy and the stakeholder relationship management strategy, should it exist.    | <b>Condensed to coding theme four</b> |  |
|                              | Involvement of external stakeholders in the business strategy.              | Determining if and how the organisation involves external stakeholders in designing its business strategy.                   | <b>Condensed to coding theme four</b> |  |
|                              | Involvement of internal stakeholders in the business strategy.              | Determining if and how the organisation involves internal stakeholders in designing its business strategy.                   | <b>Condensed to coding theme four</b> |  |
|                              | Research – formal.  | Establishing whether the organisation uses formal research to determine which external factors could influence their work.   | <b>Condensed to coding theme four</b> |  |
|                              | Research – informal.  | Establishing whether the organisation uses informal research to determine which external factors could influence their work. | <b>Condensed to coding theme four</b> |  |
|                              | Parties responsible for the business strategy.                              | Determining which internal parties are responsible for designing the business strategy.                                      | <b>Condensed to coding theme four</b> |  |
|                              | Stakeholders' link to the business strategy.                                | Discovering how stakeholders are proactively and intentionally linked to the organisation's business strategy.               | <b>Condensed to coding theme four</b> |  |

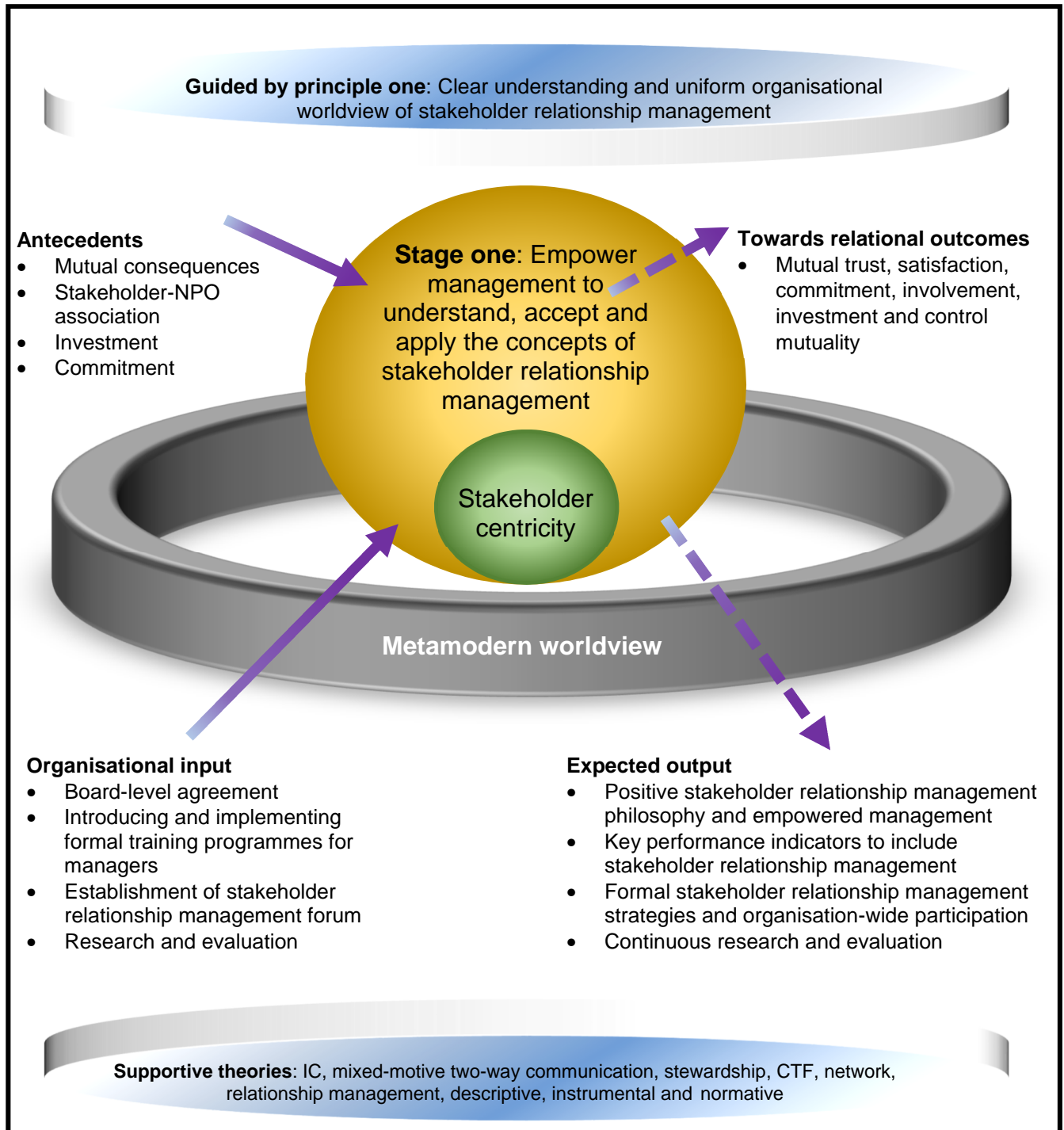
| Meta-theme                            |   |  |                                 |   |
|---------------------------------------|---|--|---------------------------------|---|
| Stakeholder identification – general. |   | Capturing general comments about the identification of stakeholders.   | Condensed to coding theme three | Coding theme three<br>Stakeholder identification and relationship attributes.                 |
| Subcategories                         | Ad hoc versus planned stakeholder identification.           | Determining if the organisation deliberately and strategically identifies stakeholders or whether it happens in an ad hoc fashion. | Condensed to coding theme three |   |
|                                       | Stakeholders' link to current strategic issues.             | Discovering if certain stakeholders are directly and proactively linked to current strategic organisational issues.                | Condensed to coding theme four  |   |
|                                       | Stakeholder salience identification.                        | Investigating how organisations identify the salience and therefore the strategic relevance of stakeholders.                       | Condensed to coding theme three |   |
|                                       | Distinguish between stakeholder and strategic stakeholders. | Establishing how NPO management distinguishes between a stakeholder and a strategic stakeholder, if at all.                        | Condensed to coding theme one   | Coding theme one<br>Knowledge and training pertaining to stakeholder relationship management. |
| Meta-theme                            |   | Final theme  |                                 |   |
| Communication strategy – general.     |   | Capturing general comments about communication and the organisation's communication strategy or plan.                              | Condensed to coding theme five  | Coding theme five<br>Communication and stakeholder relationship management.                   |
|                                       | Communication strategy versus communication plan.           | Determining if NPO management makes a distinction between a communication strategy and a communication plan.                       | Condensed to coding theme five  |   |
|                                       | Existence of communication strategy.                        | Establishing if the organisation has a communication strategy.   | Condensed to coding theme five  |   |

|                      |   |  |                                       |   |
|----------------------|---|--|---------------------------------------|---|
| <b>Subcategories</b> | Information dissemination versus strategic communication.                                     | Capturing comments indicating that the organisation is mostly busy with information dissemination as opposed to strategic communication.                             | <b>Condensed to coding theme five</b> |   |
|                      | Link between communication and relationships.   | Determining how NPO management regards the link between communication and relationships, if any.   | <b>Condensed to coding theme five</b> |   |
|                      | Link between the communication strategy and the stakeholder relationship management strategy. | Investigating if there is a direct link between the communication strategy (should it exist) and the stakeholder relationship management strategy (should it exist). | <b>Condensed to coding theme five</b> |   |
|                      | Parties responsible for the communication strategy.   | Determining who in the organisation is responsible for designing the communication strategy.   | <b>Condensed to coding theme five</b> |   |
|                      | Stakeholders' communication needs.  | Determining if NPO management is aware of their stakeholders' communication needs and how it was discovered, if at all.  | <b>Condensed to coding theme five</b> |   |
|                      | <b>Meta-theme</b>   |  |                                       |   |
|                      | Great quotations.   | Capturing quotations that could be used to enhance the feedback report.  | <b>No coding theme</b>                |   |
|                      | <b>Meta-theme</b>   |  | <b>Final theme</b>                    |   |
|                      | Theory – The communication theory of the firm.  | Illustrating that the communication theory of the firm is evident or implied in the data.  | <b>Condensed to coding theme six</b>  | <b>Coding theme six</b><br>Relevance to theory. |
|                      | Theory - Identification and salience.   | Illustrating that the identification and salience theory is evident or implied in the data.  | <b>Condensed to coding theme six</b>  |   |
|                      | Theory - Integrated communication.  | Illustrating that the integrated communication theory is evident or implied in the data.   | <b>Condensed to coding theme six</b>  |   |

|  |   |                                 |   |
|--|---|---------------------------------|---|
| Theory - Linkages model.                     | Illustrating that the linkages model is evident or implied in the data.   | Condensed to coding theme six   |   |
| Theory - Network of influence.               | Illustrating that the network of stakeholder influence theory is evident or implied in the data.  | Condensed to coding theme six   |   |
| Theory – The relationship management theory. | Determining if managers accepts that stakeholder relationship management is a management function utilising communication as a strategic tool to build relationships. | Condensed to coding theme six   |   |
| Theory – The situational theory of publics.  | Illustrating that the situational theory of publics is evident or implied in the data.  | Condensed to coding theme six   |   |
| Theory – The stewardship theory.             | Illustrating that the stewardship theory is evident or implied in the data.   | Condensed to coding theme six   |   |
| Theory – The systems theory.                 | Illustrating that the systems theory is evident or implied in the data.   | Condensed to coding theme six   |   |
| Theory - Two-way communication.              | Illustrating that the mixed-motive two-way communication theory is evident or implied in the data.  | Condensed to coding theme six   |   |
| <b>Meta-theme</b>                            |   | <b>Final theme</b>              |   |
| Worldview – Metamodernism.                   | Capturing data that resonates with a metamodern worldview.  | Condensed to coding theme seven | <b>Coding theme seven</b><br>Relevance to a metamodern worldview. |
| Worldview – Modernism.                       | Capturing data that resonates with a modern worldview.  | Condensed to coding theme seven |   |
| Worldview – Postmodernism.                   | Capturing data that resonates with a postmodern worldview.  | Condensed to coding theme seven |   |



## GRAPHIC ILLUSTRATION OF STAGE ONE FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOS



**Stage one: Empower management to understand, accept and apply the concepts of stakeholder relationship management**

Source: Researcher's own construct.

**Contextualising stage one****STAGE ONE**

***Empower management to understand, accept and apply the concepts of stakeholder relationship management.***

**GUIDED BY PRINCIPLE ONE**

Stage one is embedded in **principle one** which states the following:

***Establish a clear understanding and uniform organisational worldview of stakeholder relationship management.***

It is argued that this principle will become a reality only when management is trained in the basic principles of stakeholder relationship management and embraces the relevance and importance of this concept to organisational success.

**SUPPORTIVE THEORIES AND MODELS**

Stage one is guided by a number of theories which have been selected in the forgoing discussions, and the relevance of these theories to stage one of the proposed model is illustrated next.

- Integrated communication – integrated communication should not be seen as the responsibility of only the communication specialist. For integrated communication to become a reality, everyone in the organisation should be involved and the process should be driven by line management.
- Mixed-motive two-way communication (Grunig 2001) – the principle of two-way communication stems from the excellence theory. Practising the mixed two-way communication model will lead to organisation-wide understanding and acceptance that stakeholders' views and perceptions matter.
- The stewardship theory (Donaldson & Davis 1989) – managers see themselves as stewards of the organisation and take ownership of stakeholder relationship management. Stakeholder relationship management is no longer delegated to the communication specialist, should the NPO employ one.
- The communicative theory of the firm (Koschmann 2009) – managers understand that the organisation constitutes communication and that everything they do or say (or do not say or do) communicates certain messages to stakeholders.
- The network theory of stakeholder influences (Rowley 1997) – managers accept they are not the focal hub of the NPO, but that the organisation functions in an intricate network of stakeholders, as much as these stakeholders are part of other networks.
- The relationship management theory (Ledingham & Bruning 1998) – managers accept that stakeholder relationship management is a management function and that they should take responsibility for the function which includes the acceptance of communication as a strategic tool in building stakeholder relationships.

- The descriptive, instrumental and normative stakeholder theory (Donaldson & Preston 1995) – NPOs must be aware of their current stakeholder relationship management practices (descriptive), understand the impact of managers' behaviour on stakeholders (instrumental), and design goals of how stakeholder relationship management should be practised in the organisation (normative).

### ORGANISATIONAL INPUT DURING STAGE ONE

In order to achieve the goal stated in principle one, NPOs should be willing to provide certain input into the process which are proposed next:

- Agreement on board level on the need for and the importance of formal stakeholder relationship management strategies in the organisation.
- Approval on board level for the development and implementation of stakeholder relationship management training programmes and the subsequent investment of the necessary resources.
- Development of a formal and continuous stakeholder relationship management training programme for identified key managers.
- Identification of key managers to be trained in stakeholder relationship management.
- Establishment of a stakeholder relationship management forum responsible for the development of continuous training programmes and the offering of support and mentoring. New internal structures may be required and a forum should be put in place to oversee the stakeholder relationship management processes.
- Roll-out of training programmes to other relevant NPO employees.
- Regular evaluation of successful implementation of training programmes.

### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE ONE

It is posited that an NPO could expect certain outputs once it has successfully implemented a stakeholder relationship management training programme, namely:

- Management's philosophy towards stakeholder relationship management is positive and in support of training and the implementation of standardised processes for stakeholder relationship management.
- Management is empowered and trained in the concepts of stakeholder relationship management.
- Management's key performance indicators (KPIs) include measurements for the successful application of stakeholder relationship management, thus forcing them to take responsibility for the function.
- The NPO practises organisation-wide stakeholder relationship management and the function is no longer the responsibility of certain individuals only, or only practised in certain critical instances.
- Stakeholder relationship management is driven by formal strategies and processes in support of business goals and aligned with the NPOs vision, mission and values.
- Evaluation research is accepted as a prerequisite for successful stakeholder relationship management.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

It is argued that antecedents and relational outcomes already play a role in the early stages of a stakeholder relationship management framework. The following explanation illustrates the interrelatedness of antecedents and relational outcomes and their relevance to stage one.

#### Relevant antecedents

- *Mutual consequences* – managers should understand that their behaviour has consequences for stakeholders and that empowering themselves in the concepts of stakeholder relationship management will have positive consequences for stakeholders, which will eventually translate into positive consequences for the organisation.
- *Stakeholder-NPO association* – how strongly stakeholders associate with an NPO and its cause will reflect in their attitudes and perceptions. Although a strong association does not necessarily imply a positive perception, it remains a good starting point for strengthening a relationship.
- *Investment* – investment is regarded by most theorists as a relational outcome, but in this context, it should also be seen as an antecedent. Without the necessary investment from the NPO's side in terms of allocating resources towards the proposed development programme, the stakeholder relationship management strategy will struggle to get off the ground.
- *Commitment* – although generally regarded as a relational outcome, commitment from particularly the board and top management is seen as a necessary antecedent before embarking on the process.

#### Relevant relational outcomes

- It is posited that, should stage one be implemented successfully, all the proposed relational outcomes of mutual *trust, satisfaction, commitment, control mutuality, involvement and investment* become achievable goals.

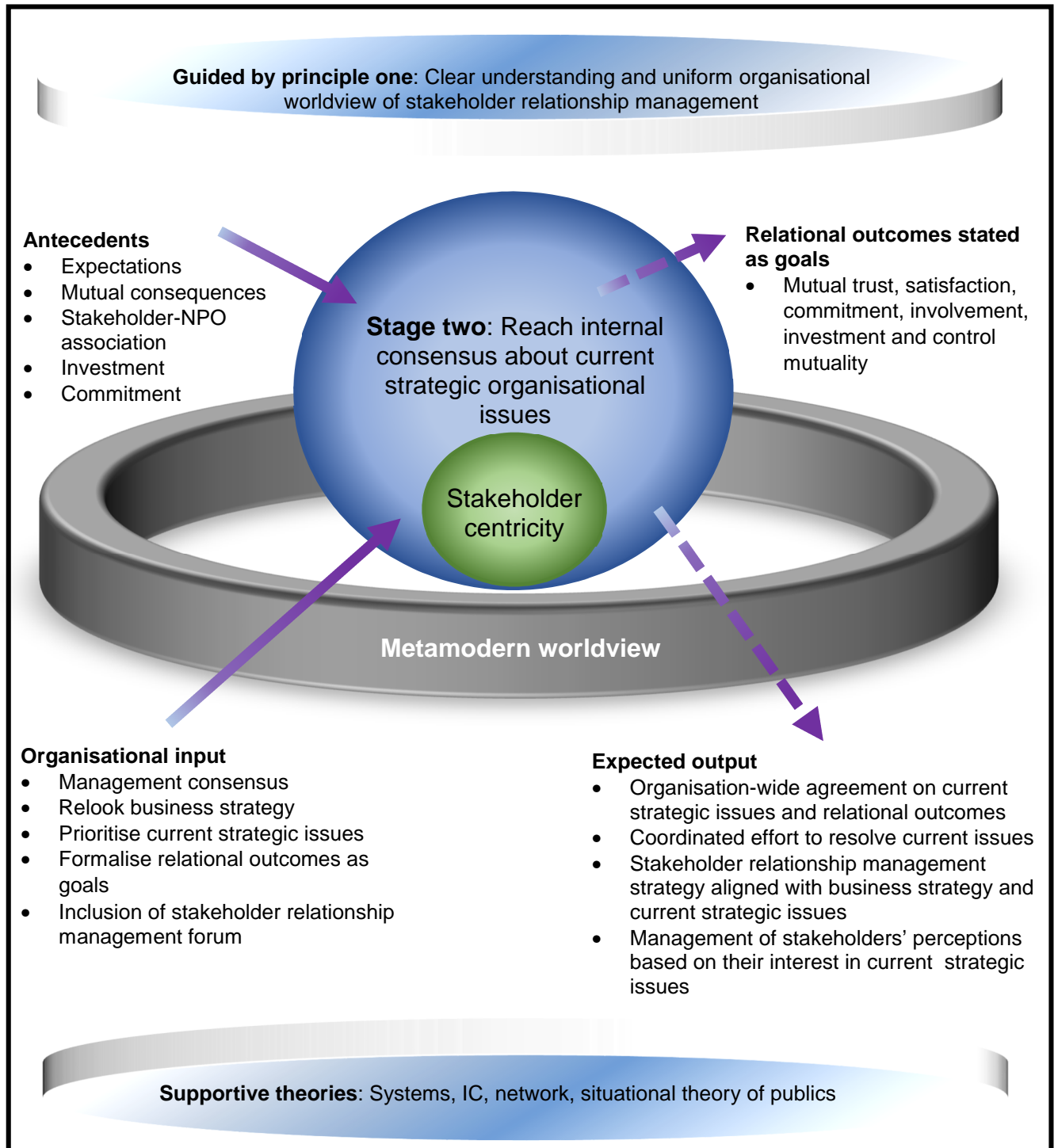
Successful implementation of stage one ultimately leads to

### THE ACHIEVEMENT OF PRINCIPLE ONE

***A clear understanding and uniform organisational worldview of stakeholder relationship management.***

Source: Researcher's own construct.

# GRAPHIC ILLUSTRATION OF STAGE TWO FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs



**Stage two: Reach internal consensus about current strategic organisational issues**

Source: Researcher's own construct.

**Contextualising stage two****STAGE TWO*****Reach internal consensus about current strategic organisational issues.*****GUIDED BY PRINCIPLE ONE**

Stage two is embedded in **principle one** which states the following:

***Establish a clear understanding and uniform organisational worldview of stakeholder relationship management.***

It is argued that all managers in the organisation should have consensus about the strategic issues facing the organisation and about the priority order in which these issues should be addressed. This will assist in creating a uniform organisational worldview of stakeholder relationship management and will prevent fragmented and reactive stakeholder relationship management efforts.

**SUPPORTIVE THEORIES AND MODELS**

Stage two is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage two of the proposed model is illustrated next.

- The systems theory – from the adaptive open systems perspective organisations manage relationships in internal subsystems (internal stakeholders), as well as in suprasystems (external stakeholders) and must therefore understand issues within these systems.
- Integrated communication – integrated communication would be easier to implement once everyone in the organisation agrees on which strategic issues should be addressed first.
- The network theory of stakeholder influences (Rowley 1997) – by analysing both the internal and external environments, managers will realise and accept that the organisation functions in an intricate network of stakeholders, as much as these stakeholders are part of other networks.
- The situational theory of publics (Grunig 1992) – certain stakeholders are more actively involved in certain issues than others, and stakeholders' reactions and behaviour depend on their interest in particular issues. It therefore stands to reason that these issues should be identified and acknowledged by the organisation.

**ORGANISATIONAL INPUT DURING STAGE TWO**

In order to achieve the goal stated in principle one, NPOs should be willing to provide certain input into the process of stage two which are proposed next:

- Reach consensus on management level that the stakeholder relationship management strategy should be aligned with, and support the business strategy.

- Relook the business strategy (assuming it exists) and identify strategic issues.
- Prioritise these issues in order of importance by considering organisational and stakeholder needs.
- Reach consensus on management level that the stakeholder relationship management strategy should not only be aligned to the business strategy, but should also address emerging and current strategic issues.
- Redesign stakeholder relationship management strategies when new issues surface.
- Formalise desired relational goals of mutual *trust*, *satisfaction*, *commitment*, *control mutuality*, *involvement* and *investment* as organisational goals.
- Include the stakeholder relationship management forum established in stage one, in the process.

### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE TWO

It is posited that an NPO could expect certain outputs once it has successfully implemented stage two, namely:

- Organisation-wide agreement on the current strategic issues facing the organisation.
- Organisation-wide agreement on relational goals to work towards.
- Coordinated effort to resolve the pressing issues in the interest of the organisation as well as stakeholders.
- Stakeholder relationship management strategies in support of organisational goals and the business strategy, aimed at resolving current strategic issues.
- Management of stakeholders' perceptions and relationships, based on issues relevant to said stakeholders.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

It is argued that antecedents and relational outcomes both play a role in the early stages of a stakeholder relationship management framework. The following explanation illustrates the relevance and interrelatedness of antecedents and relational outcomes in this process.

#### Relevant antecedents

- *Expectations* – by identifying strategic issues and linking them to specific stakeholders, expectations of both the organisation and stakeholders will become clear.
- *Mutual consequences* – strategic issues faced by the organisation have consequences for both the organisation and stakeholders and these consequences must be acknowledged and understood.
- *Stakeholder-NPO association* – how strongly stakeholders associate with an NPO and its cause will reflect in their attitudes and perceptions. Although a strong association does not necessarily imply a positive perception, it remains a good starting point for strengthening a relationship.
- *Investment* – investment is regarded by most theorists as a relational outcome, but in this context, it should also be seen as an antecedent. Reaching consensus on the strategic issues faced by the organisation will require investment in the form of time and effort from management.

- *Commitment* – although also regarded as a relational outcome, commitment from top management is deemed a necessary antecedent in order for this process to be successful.

**Relevant relational outcomes**

- It is posited that, should stage two be implemented successfully, all the proposed relational outcomes of mutual *trust, satisfaction, commitment, control mutuality, involvement* and *investment* will not only be formalised goals, but will be measured and evaluated as achieved or not.

**Successful implementation of stage two ultimately leads to**

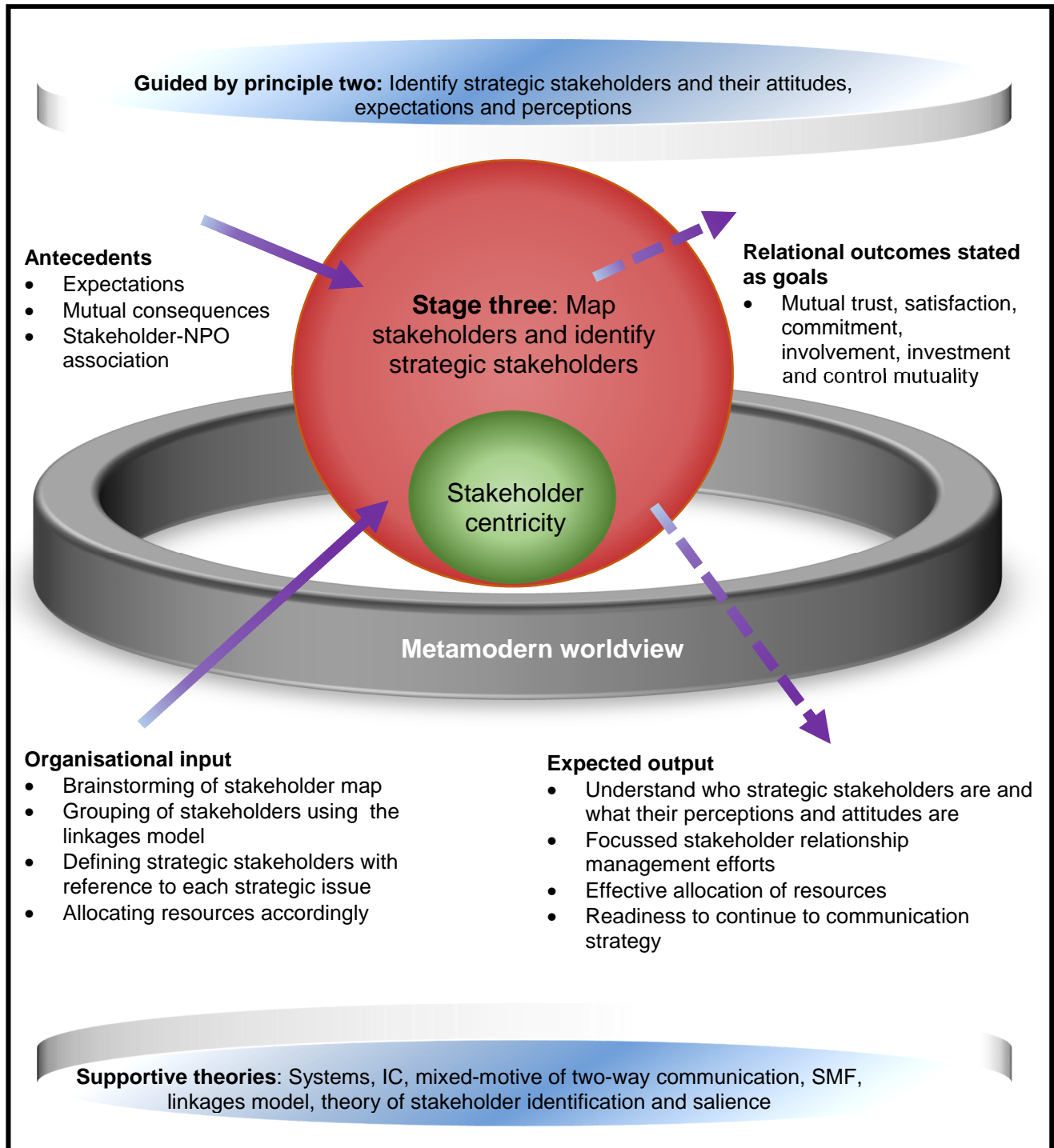
**THE ACHIEVEMENT OF PRINCIPLE ONE**

***A clear understanding and uniform organisational worldview of stakeholder relationship management.***

Source: Researcher's own construct.



## GRAPHIC ILLUSTRATION OF STAGE THREE FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs



### Stage three: Map stakeholders and identify strategic stakeholders

Source: Researcher's own construct.

**Contextualising stage three****STAGE THREE*****Map stakeholders and identify strategic stakeholders*****GUIDED BY PRINCIPLE TWO**

Stage three is embedded in principle two which states the following:

***Identify strategic stakeholders and their attitudes, expectations and perceptions.***

Stage two argued that stakeholders should be linked to specific issues. Once this has been done and in order to understand how to deal with these stakeholders, it is imperative that NPOs understand stakeholders' attitudes and perceptions pertaining to specific issues. This will assist NPOs to pay attention to stakeholder relationships in a focussed manner and allocate resources accordingly.

**SUPPORTIVE THEORIES AND MODELS**

Stage three is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage three of the proposed model is illustrated next.

- The systems theory – feedback is regarded as important in the systems theory which implies mutual exchange of influence. A systems approach reiterates the interconnectedness between systems and therefore between strategic issues, stakeholders and organisations.
- Integrated communication – integrated communication would become a reality once everyone in the organisation not only agrees on which strategic issues should be addressed first, but also understands stakeholders' attitudes and perceptions as far as these issues are concerned.
- Mixed-motive two-way communication (Grunig 2001) – the principle of two-way communication stems from the excellence theory. Engaging with stakeholders in order to understand their attitudes and perceptions about specific issues, implies that all employees in the NPO should practise two-way communication and that the function should not be regarded as the sole responsibility of the communication specialist in the organisation.
- The stakeholder management framework (Freeman 1984) – this model moves the focus away from the shareholder (or donor/funder in the case of NPOs) to the stakeholder. Using Freeman's hub-and-spoke model will enable NPOs to map all their stakeholders so that they are all always visible at a glance.
- The linkages model (Grunig & Hunt 1984) – the linkages model assists in grouping stakeholders into four distinctive groups, namely enabling, functional, normative and diffused stakeholders. Although this grouping does not assist in explaining any stakeholder attributes, it is a tool which will assist NPOs in making the broad and endless list compiled in the previous step, more manageable.

- The stakeholder identification and salience theory (Mitchell et al 1997) – this step lies at the heart of identifying *strategic* stakeholders. This theory groups stakeholders together according to their level of *power*, *legitimacy* and degree of *urgency* and should be done for each stakeholder group linked to each identified strategic issue. Power, legitimacy and urgency are all variable attributes and will differ from stakeholder to stakeholder and from issue to issue. What makes it even more complicated is that a stakeholder's level of power to make a difference and the sense of urgency to do so, might change within in a specific situation. Continuous evaluation of stakeholders' attitudes and perceptions is thus inherently part of this step.

### ORGANISATIONAL INPUT DURING STAGE THREE

Reaching a point where stakeholders are identified in a clear and focussed manner and linked to specific issues, is a labour-intensive process which requires substantial organisational input.

- Organisation-wide brainstorm to map stakeholders. All departments should be involved in this process in order not to omit certain stakeholders.
- Grouping of stakeholders identified in the previous step into either enabling, functional, normative and diffused stakeholders. This could be done by a selected, diverse team.
- Defining which stakeholders are strategic by utilising the strategic issues identified and prioritised in stage two.
- Deciding where to focus and what resources to allocate to which stakeholders pertaining to specific issues which need to be addressed.

### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE THREE

NPOs could expect certain outcomes once stage three has been implemented successfully:

- Insight into who strategic stakeholders are and what their attitudes and perceptions about a specific issue are.
- Less fragmented stakeholder relationship management efforts and more focussed stakeholder relationship management strategies.
- Better allocation of resources to the management of stakeholder relationship management.
- Readiness to proceed to a communication strategy for each stakeholder linked to each strategic issue.

### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

The successful implementation of stage three will clearly identify the content of the relational outcomes selected as relevant in the NPO sector.

#### Relevant antecedents

- *Expectations* – by researching the perceptions and attitudes of stakeholders, NPOs will understand what their expectations are with reference to each strategic issue.

- *Mutual consequences* – having identified the strategic issues in the internal and external environment and understanding stakeholder attitudes and perceptions, will illustrate how organisational behaviour has consequences for stakeholders, and vice versa.
- *Stakeholder-NPO association* – how strongly stakeholders associate with an NPO and its cause will reflect in their attitudes and perceptions. Although a strong association does not necessarily imply a positive perception, it remains a good starting point for strengthening a relationship.

#### **Relevant relational outcomes**

- It is posited that, should stage three be implemented successfully, all the proposed relational outcomes of mutual *trust, satisfaction, commitment, control mutuality, involvement* and *investment* will not only be formalised goals, but will be measured and evaluated as achieved or not.

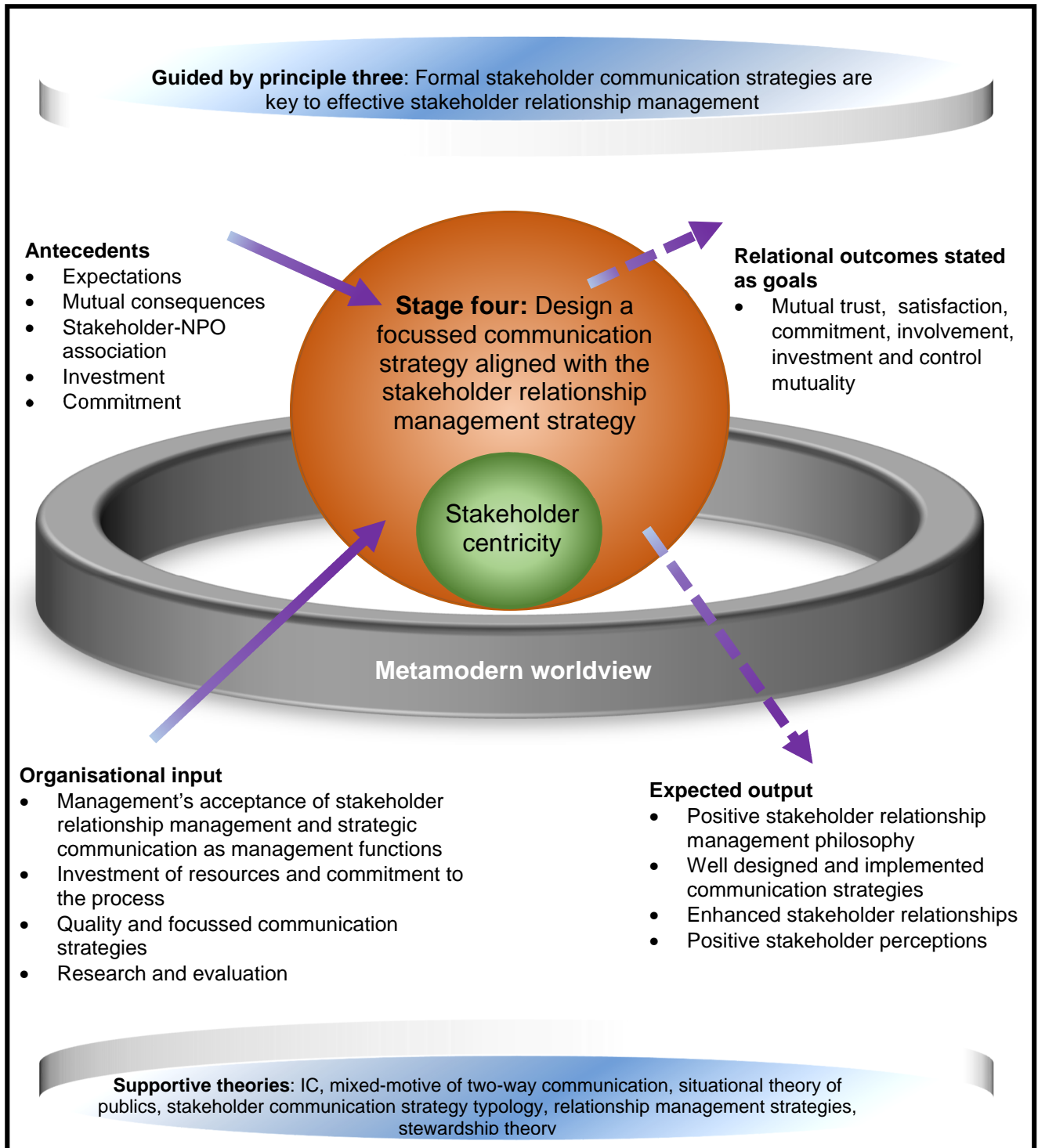
Successful implementation of stage three ultimately leads to

#### **THE ACHIEVEMENT OF PRINCIPLE TWO**

***Identify strategic stakeholders and their attitudes, expectations and perceptions.***

Source: Researcher's own construct.

## GRAPHIC ILLUSTRATION OF STAGE FOUR FOR A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs



### Stage four: Design a focussed communication strategy

Source: Researcher's own construct.

**Contextualising stage four****STAGE FOUR**

***Design a focussed communication strategy aligned with the stakeholder relationship management strategy***

**GUIDED BY PRINCIPLE THREE**

Stage four is embedded in principle three which states the following:

***Formal stakeholder communication strategies are key to effective stakeholder relationship management.***

Stage four suggests that broad, organisation-wide communication strategies are not sufficient to build and strengthen relationships with stakeholders, but that communication strategies should rather be focussed on specific stakeholder groups and specific strategic issues.

**SUPPORTIVE THEORIES AND MODELS**

Stage four is guided by a number of theories which have been selected in the forgoing discussions and the relevance of these theories to stage four of the proposed model is illustrated next.

- Integrated communication – a metamodern approach would accept that communication can never be integrated in a mechanistic manner, but having an organisational culture in favour of stakeholder relationship management and an organisation-wide understanding of what the strategic issues and stakeholders' perceptions are, would lead to less fragmented and more integrated communication.
- Mixed-motive two-way communication (Grunig 2001) – this model lies at the heart of stage four, since it argues that a symmetrical view of communication will lead to a win-win situation for both the organisation and the stakeholder.
- The situational theory of publics (Grunig 1992) – this theory explains the communication behaviour of stakeholders and why some are more involved in certain issues than others by using the variables of problem recognition, level of involvement and constraint recognition. It holds that a stakeholder with a high level of problem recognition and involvement, combined with a low level of constraint recognition will be an active stakeholder and will seek more information. Once this is known, it will assist NPOs in determining a suitable communication approach.
- Stakeholder communication typology (Gregory 2007) – an NPO is ready to decide on a communication approach with a stakeholder only once it is clear what the stakeholder's level of interest and power in a specific issues is (discovered in stage three) and what his/her problem recognition, level of involvement and constraint recognition regarding this issue are. The higher the levels of problem recognition, involvement, power and interest, the more intimate the communication approach should be and vice versa. Once an NPO

has decided whether the communication approach should be to *inform*, *consult*, *involve* or *partner*, it will have clarity as to how to allocate resources to the process. The nature of these approaches and the action plans to implement them would need careful investigation by the NPO.

- Combination of Hon and Grunig's (1999) relationship management strategies with elements of the stewardship theory (Waters 2011) – it is posited that regardless of the chosen communication approach – inform, consult, involve or partner – the communication strategy should be guided by the principles suggested by Waters (2011), namely *access*, *positivity*, *openness*, *assurances*, *networking*, *sharing of tasks*, *reciprocity*, *responsibility*, *reporting* and *relationship nurturing*. It is argued that NPOs will have a better chance of succeeding in establishing strong stakeholder relationships by applying these principles (which are explained in Table 5.13) constantly.

#### ORGANISATIONAL INPUT DURING STAGE FOUR

Certain organisational inputs are necessary in order to design and implement a focussed communication strategy.

- Management consensus and acceptance that strategic communication is a management function which should not be seen as the sole responsibility of the communication specialist.
- Management consensus and acceptance that strategic communication is key to successful stakeholder relationships.
- Investment of resources in the form of time, funds and human resources in the design and implementation of communication strategies.
- Management's commitment to the process.
- Production of quality, relevant and timeous communication strategies.
- Implementation of such communication strategies.
- Constant evaluation and measurement of the effectiveness of communication strategies and adaptation when necessary.

#### EXPECTED OUTPUT AFTER IMPLEMENTING STAGE FOUR

The successful implementation of stage four will lead to certain organisational outputs.

- A management philosophy that is positive towards stakeholder relationship management and strategic communication, accepting that these disciplines are management functions.
- Well designed and implemented communication strategies which are continually evaluated and monitored.
- Enhanced relationships with stakeholders in which stakeholder interests are considered, leading to positive perceptions.

#### ROLE OF ANTECEDENTS AND RELATIONAL OUTCOMES

All antecedents and relational outcomes will be addressed and achieved through the implementation of focussed communication strategies.

**Relevant antecedents**

- *Expectations* – stakeholder expectations will be known by this stage and will be considered when communicating with them.
- *Mutual consequences* – mutual consequences of both parties' behaviour will be understood by now and can be addressed and explained through communication strategies.
- *Stakeholder-NPO association* – stakeholder association with an NPO will increase through effective communication with the stakeholder, resulting in positive perceptions of the NPO.
- *Investment* – although regarded as a relational outcome, investment is also an antecedent in the context of stage four. Management will have to invest resources into this stage in order for it to become a reality.
- *Commitment* – commitment, similarly to investment, could also be regarded as an antecedent in stage four, since this process demands substantial commitment from all parties involved.

**Relevant relational outcomes**

- It is posited that by adhering to the communication guiding principles of *access, positivity, openness, assurances, networking, sharing of tasks, reciprocity, responsibility, reporting and relationship nurturing* the relational outcomes goals of *mutual trust, satisfaction, commitment, control mutuality, involvement and investment* will be achieved.

Successful implementation of stage four ultimately leads to

### THE ACHIEVEMENT OF PRINCIPLE THREE

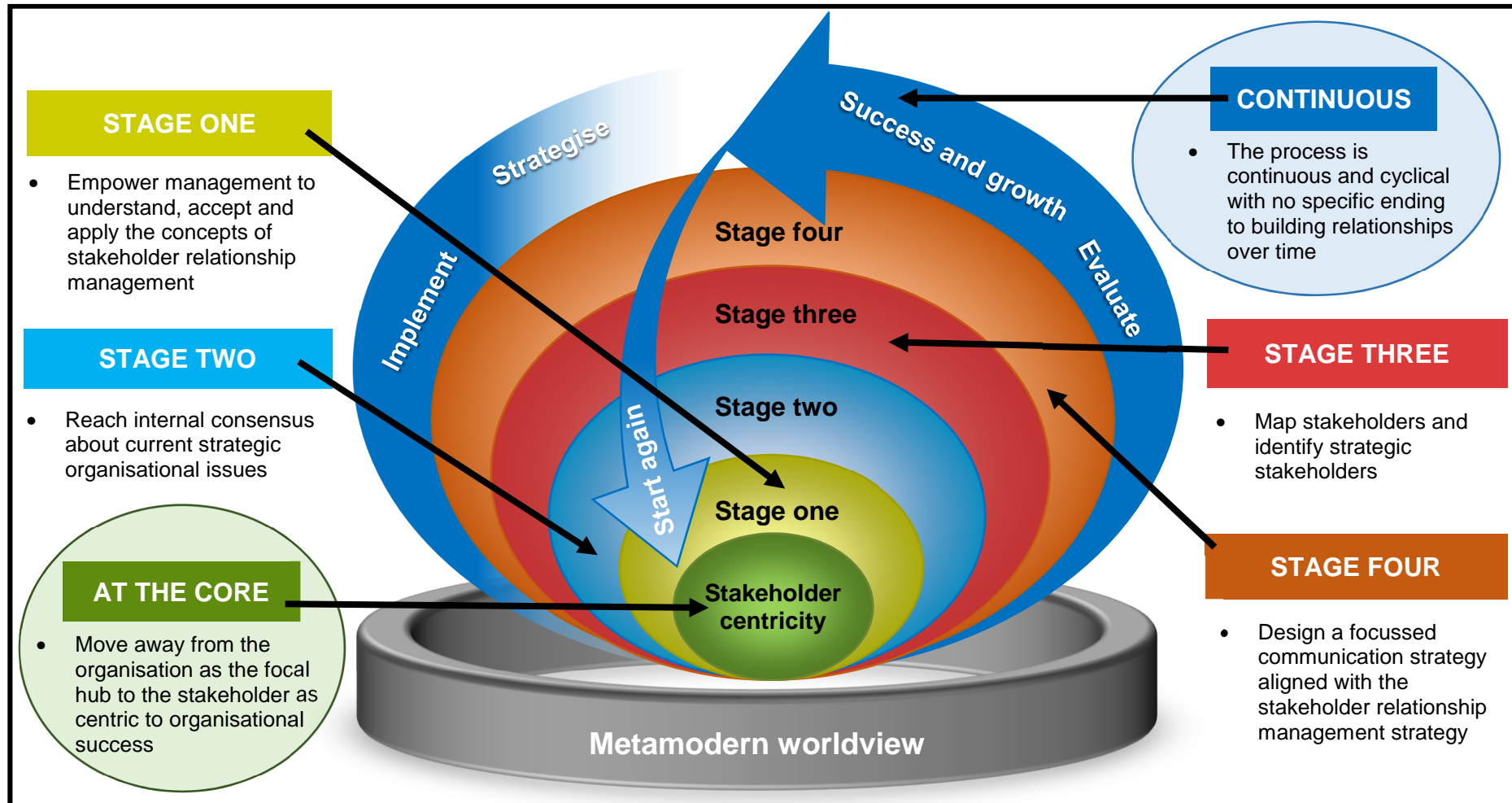
***Formal stakeholder communication strategies are key to effective stakeholder relationship management.***

Source: Researcher's own construct.

The figure on the following page presents a final dash-board and collapsed view of the four stages, their interrelatedness and the continuous nature of this cyclical process.



## A METAMODERN STAKEHOLDER RELATIONSHIP MANAGEMENT MODEL FOR NPOs – A COLLAPSED VIEW OF STAGES ONE TO FOUR



**Collapsed view of the cyclical nature of stages one, two, three and four**

Source: Researcher's own construct.